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As Rwandans Flee, Zaire Threatens to Shut Border

With French Leaving, Officials Fear Repeat Of Desperate Exodus

By Keith B. Richburg
Washington Post Service

BUKAVU, Zaire — As thousands of Hutu refugees continued to stream out of Rwanda in advance of the completion of France's military withdrawal, Zaire threatened Friday to shut its border to prevent a repeat of the exodus that overwhelmed the frontier town of Goma last month.

The office of the United Nations High Commissioner for Refugees in Bukavu, which is across the border from southwestern Rwanda, said the authorities in Kinshasa, the Zairian capital, had informed them of their intention to close the border "if the situation gets out of hand."

No deadline was given, but one UN refugee official said the action would probably come Sunday, the day before French intervention troops leave their humanitarian protection zone in the region.

[In Kinshasa, Deputy Prime Minister Malumba Mbangala said in a telephone interview with Agence France-Presse that he had given instructions for the border to be closed around Bukavu.]

"The border is closed in the direction from Rwanda to Zaire but remains open in the other direction, to allow refugees to return to their country," he said.]

"They're going to close the border definitely by noon Sunday," said Jerry van Moerk, the UN refugee representative in the Rwandan town of Cyangugu across the congested narrow bridge from Bukavu.

"If they close the border, people are going to be desperately trying to cross in another way," he said, predicting that many refugees might try to swim across the Ruzizi River to Zaire. He said about 100 Zairian troops had already been seen moving toward the border.

News of the possible border closing and reports that the new Rwandan government might be preparing to send troops into the "safe zone" seemed to have prompted the largest single day's exodus yet into Bu-

akavu. UN officials said refugees were crossing at a rate of about 30 per minute, for a total of 15,000 to 20,000 new arrivals. There were already an estimated 350,000 Rwandan refugees in the Bukavu area.

In addition to the refugees who had already crossed, relief officials estimated that tens of thousands more were on the move in Rwanda, heading west through the Nyungwe Forest, which separates the interior town of Gikongoro from Cyangugu, making the treacherous 120-kilometer (75-mile) walk over a winding hillside road through rain and cold.

Rwanda's Hutu say they fear retribution by the Tutsi-dominated Rwandan Patriotic Front, which won a renewed civil war after three months of fighting and a series of orchestrated massacres that left up to half a million people, mostly Tutsi, dead.

Alan Riding of The New York Times reported from Paris:

Asserting that it had fulfilled its duty, France again rejected appeals on Friday to prolong its military mission in Rwanda and confirmed that all its troops would

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A newly arrived Cuban refugee hugging his brother on Friday in Key West. They had not seen each other in 11 years.

Plutonium: World Peril or Cornucopia? U.S. and Russia Differ Sharply on What to Do With Material

By Matthew L. Wald
and Michael R. Gordon
New York Times Service

MOSCOW — To Americans it is an albatross, an economic liability and a threat to global security that must be rendered unto or destroyed.

But to Russians it is, as one official put it, "a national treasure" to be harnessed now in order to produce boundless energy for future generations.

The object of these clashing views is prime weapons-grade plutonium, produced during the Cold War by each side at enormous cost in money, health and environmental damage.

With the arms race winding down, huge stocks of plutonium are coming out of weapons — over the next decade at least 50 tons each in the United States and Russia, American officials say.

In Russia, this comes on top of plutonium stocks accumulated for use in power plants.

But now, as the United States searches for a safe way to get rid of plutonium, Russia wants not only to save the material being

taken from weapons but also to make still more in the quest for energy.

The country is planning a new generation of nuclear power plants called breeders that create more plutonium than the nuclear fuel they consume. And that plutonium, while not as pure as that from weapons, would still be readily usable by weapons makers.

What is more, senior Russian officials say they plan to pay for these costly plants in part with dollars from the U.S. government, money that the Ministry of Atomic Energy here will earn from a contract to sell America still another weapons fuel, highly enriched uranium.

The United States has contracted to buy Russian plutonium to use it in civilian reactors for energy, but the real American purpose was to reduce the chances of theft or sales on the world market, a goal that could be undercut by the Russians' use of the revenues to build breeder reactors.

Thus, while the Cold War may be over, the gap in attitudes about its nuclear legacy could hardly be larger. And the Rus-

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Nuclear Thefts Do Happen, Russian Says

Compiled by Our Staff From Dispatches

ST. PETERSBURG, Russia — An official of the Russian nuclear watchdog agency, acknowledging for the first time lax security at nuclear sites, said Friday that theft of radioactive material was not unusual.

"It is a fairly common occurrence," Sergei Novikov, deputy head of the northwestern section of Gosatomnadzor, said by telephone. "We have discovered many cases of theft of radioactive materials since we came into existence."

But the Russian Ministry of Atomic Energy, responsible for top-secret military nuclear facilities, said new checks carried out

at the orders of President Boris N. Yeltsin showed that no weapons-grade nuclear material was missing.

"We can say quite clearly that nothing is missing and nothing has been lost," said a spokesman, Georgi Kaurov.

"We have completed investigations at all places holding plutonium and uranium-235," he added. "We really have nothing missing."

Concern about the safety of Russian nuclear facilities flared after German officials seized four lots of radioactive material.

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Downsides Seen if Bosnia Arms Embargo Is Ended

By John Pomfret
Washington Post Service

BUGOJNO, Bosnia-Herzegovina — Lifting the arms embargo on Yugoslavia and its former republics three years ago would be intended to give its forces an edge in what many expect to be continued conflict unless the Bosnian Serbs succumb to interna-

tional pressure and sign the peace plan devised by the United States, Russia and European allies.

Under pressure from Congress, Mr. Clinton has vowed to try lifting the embargo on Bosnia if the Serbs fail to accept the plan by the end of October.

France and Britain, which constitute the backbone of the UN humanitarian mission in Bosnia, have warned that they will pull out their troops if the embargo is lifted. The UN secretary-general, Boutros Boutros-Ghali, has declared that if those two nations pull out, the entire 36,000-strong force in Bosnia and Croatia would have to be withdrawn.

Despite recent gains, the Bosnian Army

is unprepared to use the heavy weapons it wants and remains too weak to defend the hundreds of thousands of Muslim civilians along with significant chunks of territory currently protected by UN forces and NATO warplanes, the UN and Bosnian officers say.

The trouble for Sarajevo would begin, these officers predict, with Serbian troops punching north from the mountains above Mostar to sever the Muslims' main supply route up the Neretva Valley, which links central Bosnia to ports on the Adriatic.

They envisage the Serbs then profiting from what appears to be the likely withdrawal of UN forces by squeezing Sarajevo, the Bosnian capital, and rolling

See BOSNIA, Page 5

the United States, King Fahd last year named the formal consultative body to review royal decisions.

The experiment had been promised for decades. King Fahd renewed the pledge in 1979, after 500 armed men occupied the Grand Mosque in Mecca, Islam's holiest site, in a protest against Western-style social liberalization. Little was heard about the project again until after the 1991 Gulf War.

After still more delays, attributed to difficulties in balancing demands of the Western-oriented elites and conservative religious leaders, King Fahd named a speaker last August and the remainder of the council by December. The council has met 14 times and has passed 18 resolutions, according to a rare statement issued recently by the speaker.

Of the 60 members, at least 35 hold doctorates. None is a member of the royal family. They are mostly American-educated, hard-nosed technocrats.

They enjoy a magnificent new headquarters but tread carefully, for this is a country where the tradition of consultation is often referred to but remains a vulnerable, undeveloped concept.

"We are trying not to rock the boat," one council member confided. "We don't want [the council] dissolved."

"We are studying Robert's Rules of Order and modifying the book for our purposes," another member said, adding, "You can change anything except the word of God."

Regardless of how far the council goes once its members have a taste of power, at present it limits itself to petitioning the king with local grievances emanating from the provinces or from a discussion among Majlis members.

"There is no freedom of expression when it comes to religion or attacking the higher policies of government," said one member, Fahd Harithi.

Members are trying hard to help sort out the country's administrative problems. They review projects referred to them by the government, such as the country's sixth five-year economic development plan.

"The sixth plan will not be approved unless we review

See SAUDIS, Page 5

Kiosk

Somali Gunmen Surround UN Office

MOGADISHU, Somalia (Reuters) — A dozen UN foreign staff members were being held as virtual hostages Friday by Somali gunmen who surrounded their house in Mogadishu, a UN spokesman said.

Newsstand Prices	Dow Jones	Trib Index
Andorra 9.00 FF Luxembourg 40 L Fr.	Dow Jones	Down 0.15%
Amstiles 11.20 FFE Morocco 12 Dh	D-32	116.61
Cameroon 1.400 CFA Qatar 4.00 Riels	3755.11	
Egypt E.P. 5000 Réunion 11.20 FF		
France 9.00 FFF Saudi Arabia 9.00 R.		
Gabon 9.00 CFA Senegal 9.00 CFA		
Greece 3.00 Drs. Spain 200 PTAS		
Italy 2.000 Lira Tunisia 1.000 Din		
Ivory Coast 1.120 CFA Turkey T.L. 35,000		
Jordan 1 JD U.A.E. 8.50 Dirh.		
Lebanon US\$ 1.50 U.S. MIL (Eur.) 5.10		

New York	FT. 6000	Previous close
DM	1.5397	1.5437
Pound	1.549	1.5492
Yen	98.68	98.69
FF	5.2745	5.30

Advising Saudi King, New Council Walks a Tightrope

By Nora Boustany
Washington Post Service

RIYADH — In a joke making the rounds, the speaker of Saudi Arabia's 60-member Consultative Council is offered the gift of a parrot while traveling abroad. "Thanks," he replies. "I have 60 of them."

"You may laugh," one of the recently appointed members said when confronted with the jest. "It is not always yes, yes, yes. Sometimes we say no."

Just when the 60 wise men say no is a secret, along with almost everything else about the council, the Majlis al Shura. In an absolute monarchy with no tradition of democracy, the new body giving some of King Fahd's subjects a limited voice in the affairs of the kingdom remains a fragile experiment.

The Saudi royal family has long argued that it has its own form of democracy in the tradition of the *majlis*, or "sitting," when subjects are allowed into palace reception halls to press petitions on princes and, often, the king himself. But in response to changing times and in some measure to urgings from Western countries such as

the United States, King Fahd last year named the formal consultative body to review royal decisions.

The experiment had been promised for decades. King Fahd renewed the pledge in 1979, after 500 armed men occupied the Grand Mosque in Mecca, Islam's holiest site, in a protest against Western-style social liberalization. Little was heard about the project again until after the 1991 Gulf War.

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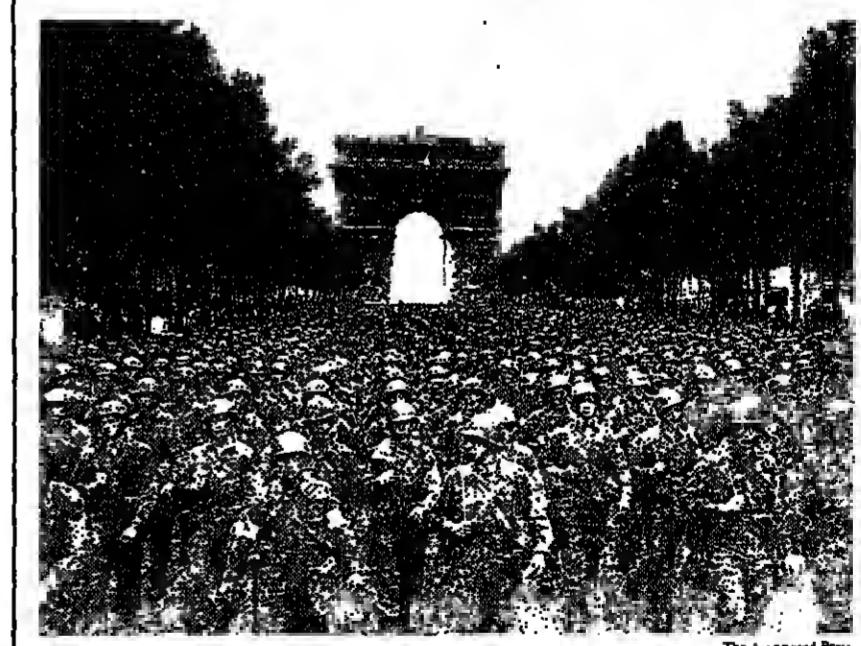
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"The sixth plan will not be approved unless we review

See SAUDIS, Page 5

Coming Monday: News of Liberation

When Paris was liberated from its Nazi occupiers in 1944, the immediate effect was an immense outpouring of joy. Longer term, liberation has served as a powerful symbol always at the forefront of French political life.



American soldiers marching down the Champs-Elysées in August 1944.

France's Pesky Pasqua Grabs the Spotlight

By Jonathan C. Randal
Washington Post Service

PARIS — Turn on television, tune in radio, scan headlines or glance at magazine covers: Even in France's sacrosanct vacation month, the larger-than-life figure of Interior Minister Charles Pasqua enjoys star billing.

Fresh from engineering the capture of the international terrorist known as Carlos, Mr. Pasqua is at the zenith of his influence. France's "top cop" is described as such an "omnipresent force" that political commentators mention him as a possible rightist successor to President François Mitterrand next year.

Mr. Pasqua does nothing to discourage such speculation. With an admitted penchant for excessive remarks and acts, he has enjoyed a long career with other victories and plenty of controversy.

His down-home, if sometimes deliberately provocative, style of political discourse is reassuring to many French. It is marked by a Gaullist sense of nationalism and appeals to strong leadership and law and order, reminding critics of what is known as the Bonapartist — or dictatorial — streak in French politics.

Mr. Pasqua's style strikes a deep chord with many French people otherwise troubled by the populist rhetoric of the rightist extremist, Jean-Marie Le Pen, and the leftist crowd-pleaser, Bernard Tapie.

Even before nabbing Carlos, Mr. Pasqua, 67, enjoyed substantial public approval for widespread identity checks of immigrants.

Although he recently said he was "closing up doors," his chances of obtaining the presidency are considered slim.



Interior Minister Charles Pasqua was flanked by Mayor Jacques Chirac, left, and President François Mitterrand at ceremonies on Friday in Paris marking the start of celebrations of the 50th anniversary of the city's liberation.

Even if the front-running prime minister, Edouard Balladur, and the perennial Gaullist candidate, Jacques Chirac, knock each other out next year. But he certainly has enhanced his reputation as a kingmaker.

His first term as interior minister between 1986 and 1988 was marked by controversies. He charted a jettison to summarize deport 101 Malians without due process. He provided a passport to a prosecution witness, allowing him to flee abroad and avoid testifying at the trial of a former Socialist minister accused of corruption. And his muscular approach to security was

blamed for the death of a Franco-Algerian student in a Paris demonstration.

Since resuming office in 1993, Mr. Pasqua has raised eyebrows by sending home two Iranians wanted in Switzerland on terrorist charges, by granting a visa on medical grounds to an Iraqi cabinet minister, Tariq Aziz, and by consulting with his Saudi counterpart in the disputed Western Sahara.

From his power base in the Hauts-de-Seine, France's wealthiest department, Mr. Pasqua has the money and influence to indulge his controversial taste for intrigue to the Arab world and French-speaking Africa.

He cultivates Third World sources — often said to finance much of French political life — which in the past were part of a jealously guarded presidential domain.

His practices have caused turf battles, notably with Foreign Minister Alain Juppé.

Mr. Pasqua recently took

the United States, Britain and Germany to task for refusing to back the beleaguered Algerian government in its struggle with Islamic fundamentalists.

His criticism of France's allies for maintaining relations with Algeria's Islamic Salvation Front was undercut when it came to fight that he too was in touch with its representatives abroad.

Moreover, domestic and foreign critics worry that his tactics may end up worsening France's relations with a future fundamentalist government as well as poisoning the lot of France's 3 million Muslims.

"I think Pasqua is taking a lot of risks for his petty personal ends," said Jean Givany, spokesman for the opposition Socialists.

Despite partisan harbs, Mr. Pasqua is the season's superstar. The newspaper *France-Soir* said this was "Pasqua's summer," adding that "every day adds something to the theory that he is not interior minister, but deputy prime minister."

East Timor Guerrillas Say They'll Deal, if Jakarta Is Ready

REUTERS
LISBON — Guerrillas fighting for the independence of East Timor said Friday that they would declare a unilateral cease-fire if the Indonesian government was prepared to start serious talks with them.

José Ramos Horta, the Australia-based overseas representative of the armed resistance movement in East Timor, said he had been specifically authorized to make the offer by a guerrilla leader, Konis Santana.

Mr. Ramos Horta made the cease-fire proposal in an interview with Portugal's TSF radio following a series of moves by the Roman Catholic church and the Indonesian armed forces suggesting the start of a dialogue on the former Portuguese colony.

"The moment that Indonesia shows it is seriously ready for dialogue the resistance will declare a cease-fire," Mr. Ramos Horta said.

The band of several hundred poorly armed and equipped pro-independence guerrillas in East Timor do not present a military threat to Indonesia's occupation, but they command wide sympathy among the local population.

Last week, Carlos Ximenes Belo, the Roman Catholic bishop of East Timor, said in an open letter that Indonesia, which invaded East Timor in 1975, should hold a referendum to decide its future.

Failing that, he proposed talks between the Indonesian government and "the political parties which once

existed in East Timor" on how to give effective autonomy to the territory of 750,000 people.

Major Simbolon, a military spokesman in the East Timor capital of Dili, reacted by saying "we are ready and willing to hold talks with anyone."

"The United Nations must be involved in one way or another," Mr. Ramos Horta said, "so that Indonesia does not transform this process into just a bilateral dialogue between the resistance and the Indonesian army."

The United Nations does not recognize Indonesia's annexation of East Timor, but for two years it has hosted exploratory talks between Indonesia and Portugal to seek an internationally acceptable solution.

Ward 29, an Example of Africa's Agony

By Susan Okie
Washington Post Service

NAIROBI — On a normal day in Ward 29, on the eighth floor of the huge Kenyatta National Hospital, the beds look like playing cards laid out in a grim game of solitaire: a face at the top, a face at the bottom. Each bed holds two patients, covered by a single sheet, lying quietly with legs held straight in an effort not to jostle their bed partners.

Every eighth day, Ward 29 receives all new adult medical patients admitted to the hospital from Kenyatta's teeming emergency room. On those days, even with two patients to a bed, Ward 29 soon runs out of mattress space. Then the new arrivals, often weak from pneumonia, diarrhea or tuberculosis, must stretch out on the floor.

With 1,650 beds, Kenyatta is sub-Saharan Africa's largest hospital, but no hospital is big enough to withstand the rising tide of illness caused by the continent's AIDS epidemic.

Doctors here say that AIDS cases have doubled in the last year and that the majority of patients in the hospital's medical wards suffer from AIDS-related infections.

Kenyatta has 256 beds for adult medical patients. But despite the staff's desperate efforts to send patients home as soon as they can safely leave, the wards almost always contain at least twice that number, said Winifred Kitia, the nurse in charge of Ward 29. "There is no ward you can go to with an empty bed," she said.

The pattern at Kenyatta is seen at hospitals all over sub-Saharan Africa. Studies from several countries show that AIDS has become the most common cause of death among adults in the region. In more than a dozen African cities, 20 percent to 30 percent of the adult population is infected with the virus that causes AIDS. In many hospitals, the proportion has reached 50 percent or more.

Of about 15 million people infected with the human immunodeficiency virus, or HIV, since the global epidemic began, more than 10 million are African, according to the World Health Organization. Of the 3 million who have died from AIDS, 2 million were African.

Kenneth Kaunda, the former president of Zambia, has lost a son. The University of Nairobi has lost a dozen professors. More than a million African

children have lost their parents. In parts of Tanzania and Uganda, villages have opened day-care centers to feed AIDS orphans and to give overburdened relatives a rest.

In one Zambian town last year, an American doctor, Anne C. Moore, visited a graveyard that had burst its bounds, spreading into the surrounding fields, and was unable to find a single grave that was more than two years old.

In areas of the continent where the epidemic has struck hardest, going to funerals fills many people's leisure time. "We are having funerals in our clan every week — brothers, cousins," said a doctor in Kisumu, a city in western Kenya. "It's very scared for our children, even for ourselves. It's our generation that is dying."

Even before AIDS appeared, Africa was the continent with the lowest life expectancy, the highest child mortality and the heaviest burden of disease. Sub-Saharan Africa was particularly susceptible to an AIDS epidemic because of widespread venereal disease, which facilitates the spread of HIV infection, and inadequate medical care which, for example, caused AIDS-tainted blood to be used frequently to transfusions.

Awareness of AIDS is almost universal, according to studies from many African countries. Condom sales in sub-Saharan Africa increased from less than 2 million in 1986 to more than

70 million in 1993, according to the World Health Organization. A survey of pregnant women in Nairobi found that AIDS was their top health concern.

"About half of the women that we study think that they are personally at risk," said Frank Plummer of the University of Manitoba, whose team conducted the study. "Their own behavior would be considered low-risk. But they're terrified because of their husbands."

But experts say there is no evidence that awareness and fear of AIDS have spurred widespread changes in sexual behavior, or that the progress of the deadly epidemic has slowed. AIDS researchers point to hopeful signs: dramatic increases in condom use among truck drivers and prostitutes who participated in intensive AIDS-prevention programs; booming condom sales in African countries with "social marketing" programs, and an apparent reduction in the rates of sexually transmitted diseases in cities such as Harare, Zimbabwe, and Kampala, Uganda.

Some African countries — including Uganda, Zambia, Ethiopia, Botswana and Senegal — earn high praise for their determined efforts to combat AIDS. But researchers say that from the data available, no country has mastered a combination of political commitment, grass-roots activism and international resources sufficient to slow the spread of the virus.

Nigeria Seizes 2 Leaders of Opposition

Compiled by Our Staff From Dispatches

LAGOS — The military government arrested two prominent opponents on Friday, including the politician who began Nigeria's bid for independence from Britain four decades ago.

Police officers entered the Lagos Sheraton Hotel and arrested Anthony Enahoro and Cornelius Adebayo, both leaders of the National Democratic Coalition, the main opposition group. The coalition has been supporting the effort by Moshood K. O. Ahiola, now on trial for treason, to assume Nigeria's presidency.

The military government, pursuing an offensive to crush a six-week-old strike by oil and other unions in support of Mr. Ahiola, has called up retired oil workers and has told the strikers to get back to work by Monday, the state radio said.

Mr. Enahoro was the member of Parliament who first entered the motion seeking Nigeria's independence in 1956. It was the beginning of the process that led to independence four years later.

General Sani Abacha, Nigeria's ruler, earlier dismissed leaders of the oil unions and the Nigeria Labor Congress and appointed administrators to run their affairs. (AP, Reuters)

CIA Helped The French Get Carlos, Spy Says

The Associated Press

WASHINGTON — The Central Intelligence Agency tracked the terrorist "Carlos the Jackal" for two decades and helped French authorities "close the noose," an American intelligence official said Friday.

The 44-year-old Venezuelan terrorist, whose real name is Illich Ramírez Sánchez, was turned over to France on Monday by Sudan after more than 20 years on the run. He was wanted in the 1975 killings of two French counterintelligence officers, and has been charged in a 1982 bombing in Paris.

The U.S. official said the CIA had tracked Carlos across four continents: "CIA helped close the noose by steadily denying Carlos safe havens," the official said.

In Paris, meanwhile, the lawyer defending Carlos claimed in an interview that an adviser to President François Mitterrand wanted to have the attorney killed in the early 1980s.

The lawyer, Jacques Vergès, was quoted in the daily *France-Soir* as saying that on his life was not carried out "simply because it would have been too visible."

In 1982, Mr. Vergès represented Magdalena Kopp, a suspected West German terrorist now thought to be married to Carlos. Mr. Vergès claimed that François de Grossouvre, a Mitterrand friend who committed suicide in April, told him that he was put on a hit list drawn up by a presidential anti-terrorism adviser.

Despite the partisan harbs, Mr. Vergès is the season's superstar. The newspaper *France-Soir* said this was "Vergès's summer," adding that "every day adds something to the theory that he is not interior minister, but deputy prime minister."

WORLD BRIEFS

Peres Pays Landmark Visit to PLO

GAZA (Reuters) — Foreign Minister Shimon Peres, on a landmark visit to Yasser Arafat's headquarters in the Gaza Strip, said Friday that Israel would begin extending elements of Palestinian self-rule in the West Bank next week.

Mr. Peres, the first Israeli cabinet minister to visit the headquarters of the Palestine Liberation Organization's leader, spoke at a joint news conference with Mr. Arafat and the Norwegian foreign minister, Bjorn Tore Godal, after talks on "early empowerment," shorthand for the handing over of power in the West Bank beyond the small self-rule enclave of Jericho.

The first step in implementing the early empowerment will take place next week, when Israel will hand over to the Palestinian Authority the responsibility for education in all of the territories, the Palestinian part of it," Mr. Peres said. The meeting, which marked the first anniversary of the secret Norwegian-brokered talks in which the Israeli-PLO peace deal was forged, centered on funding for the struggling self-rule movement as well as PLO efforts to control militant Muslims opposed to the accord.

Cries of 'Shame' as Poles Acquit 2

WARSAW (AP) — A Warsaw court acquitted two Communists secret police generals on Friday of involvement in the 1984 murder of a priest active in the Solidarity reform movement. Shouts of "Disgrace!" "Shame!" "Scandal!" and "Down with Communists!" rang out in the courtroom.

Ending a two-year trial, the judge ruled there was insufficient evidence that the generals, Wladyslaw Cislon and Zenon Platek, had been involved in the abduction and killing of the Reverend Jerzy Popieluszko.

The murder of the priest became a symbol to many Poles of Communist repression against citizens and the Roman Catholic Church. His anti-Communist sermons drew tens of thousands of people after the Solidarity labor union was outlawed under martial law in December 1981.

Germans Brace for Neo-Nazi Activity

BONN (AP) — Police officers and security authorities around Germany were braced Friday to resist any new attempts by neo-Nazis to demonstrate this weekend to mark the death of Hitler's third man, Rudolf Hess.

Last weekend, neo-Nazis tried to march to mark the Aug. 17, 1987, suicide of Hitler's deputy at Spandau prison in Berlin. They were prevented by a massive police operation that led to 100 arrests in Germany.

Interior Ministry officials in the eastern states of Thuringia and Brandenburg banned Hess commemorations planned by neo-Nazis in Erfurt and Potsdam. All demonstrations were banned in the two states until Sunday.

7 Russians Killed on Afghan Border

MOSCOW (Reuters) — Seven Russian border guards were killed and 13 were wounded in Tajikistan when exile rebels launched an overnight attack from Afghanistan, a guards spokesman said Friday.

It was the most serious loss in more than a year for the Russian force, policing Tajik borders under an agreement with the ex-Communist government in Dushanbe. The Kremlin has protested to Afghanistan.

The Interfax news agency quoted a deputy border guards commander, Nikolai Bordyuzha, as saying in Moscow that at least 50 rebels had been killed in the attack.

Three Held in Cambodia 'Still Alive'

PHNOM PENH (AP) — Three Westerners held hostage by Khmer Rouge guerrillas are still alive, a senior Cambodian official said after visiting the province where they have been captives for more than three weeks.

Foreign Minister Norodom Sirivudh gave the assurance after being briefed by military officials and the governor of the southern province of Kampot, where the men were taken and detained.

Mark Slater, 28, of Britain; David Wilson, 29, of Australia, and a Frenchman, Jean-Michel Braquet, 26, were seized July 26 when the guerrillas attacked a train. "They are still alive," Mr. Sirivudh said. "They received everything we sent to them. When the parents send mail, they receive it."

Reprise for Dutchman in Singapore

SINGAPORE (AP) — A Dutch businessman facing execution for drug smuggling gained a reprieve of at least one week Friday as his government made last-ditch efforts to save his life.

President Ong Teng Cheong rejected a clemency plea this week by Johannes van Damme, 58, who has been on death row since he was convicted in April 1993 of possessing 4.3 kilograms (10 pounds) of heroin. In 1975, Singapore made the death penalty mandatory for possession of 15 grams or more of heroin; 72 people have been hanged since. Some were foreigners, but Mr. van Damme would be the first Westerner to be hanged.

It was thought that Mr. van Damme might go to the gallows on Friday, the day executions are carried out in Singapore. But the Prison Department said there were no hangings on Friday, giving the Dutch government another week to pursue efforts to save Mr. van Damme.

TRAVEL UPDATE

Paris-Rome Flights on British Airline

British Airways is to begin a service between Paris and Rome, taking on Air France and Alitalia and providing a foretaste of the competition that will become increasingly common in deregulated European skies.

The airline said that beginning Oct. 23, certain flights from London's Gatwick Airport to Paris would fly on to Rome, allowing it to transport French passengers in a market formerly served just by the flag carriers of France and Italy. Similarly, on flights in the opposite direction, BA will be able to carry Italian passengers to Paris or on to London. (Bloomberg)

Wildfires were burning out of control on the island of Crete for a third day Friday, while other fires were reported in northwestern Greece and on the island of Corfu. The Forestry Service said it was battling difficult blazes in the region of Khamia, in northern Crete, and near Lasithi in the eastern part of the island. (AP)

Britain lost out to Spain on Friday in what it prides itself on doing best: making a cup of tea. Iberia Air Lines of Spain won the 1994 In-Flight Best Cup of Tea Award, beating British Airways and the rest of the field. (Reuters)

THE AMERICAS / THE VOTE

IBM on Health Plans: A Big Blue 'No'

By Glenn Rikfin
New York Times Service

NEW YORK — The management of IBM has urged the company's 110,000 employees in the United States to fight for defeat of two Democratic health-care bills in Congress.

The memo, believed to be the first of its kind for a company with a tradition of keeping politics out of its communications with employees, was sent Monday over IBM's internal electronic mail network. It came from the company's vice chairman, Paul J. Rizzo, with the approval of the chairman, Louis V. Gerstner Jr.

The memo urged all employees of International Business Machines Corp. to contact their senators and representatives and suggest the defeat of bills proposed by Senator George J. Mitchell, Democrat of

Maine, and Representative Richard A. Gephardt, Democrat of Missouri.

Mr. Rizzo counseled employees to send a message he had written. The message read in part, referring to medical benefits:

"The Mitchell and Gephardt bills pose a serious threat to my company's ability to manage and control the cost and quality of these benefits."

Campaigning on health care legislation is sprouting up at companies across the nation, whether through paper memos or electronic mail, said Frank Coleman, a vice president at the U.S. Chamber of Commerce in Washington.

At IBM, where political discourse has traditionally been taboo on the company's vast electronic network, Mr. Rizzo's message touched off a debate.

Though many simply thanked Mr. Rizzo

for keeping them informed, there was some sentiment against such politicking on the network.

Scott Brooks, an IBM spokesman, said that by Wednesday, Mr. Rizzo's office had received more than 4,000 electronic responses. Mr. Brooks said that a huge majority of the responses were simply seeking more information and most applauded the company's stance, but that a minority of employees were unhappy about the breach of IBM etiquette.

"I share your concern over the various pending forms of health-care legislation and I was quite happy to see IBM take the position it did in the recent statement you referenced," wrote one employee in an electronic message read to a reporter by Mr. Brooks. "Nonetheless, I feel your referenced call for employee action is wrong and inconsistent with IBM's principles."

Senators Make Deal On Health

By Adam Clymer
New York Times Service

WASHINGTON — After a deal nearly came apart, a bipartisan group of senators has reached an agreement on a proposed compromise on national health insurance legislation.

The plan, details of which were yet to be announced, is expected to put much more emphasis on deficit reduction than the proposals of President Bill Clinton and Democratic congressional leaders. At the same time, it is likely to fall well short of the universal coverage Mr. Clinton has said he would insist on.

Nevertheless, the announcement on Thursday quickly buoyed the hopes of many Democratic supporters of health-care legislation.

But major loose ends remained: The group had not settled on just what level of subsidies for the poor it wanted to provide, and what taxes to pay for them it would recommend.

Robert D. Reischauer, the head of the Congressional Budget Office, had warned the senators that their ideas might fall \$300 billion short of balancing over several years.

Senator George J. Mitchell of Maine, the Democratic leader, has made it clear that he will be receptive to many of the group's ideas, but the Republican leader, Bob Dole of Kansas, scoffs at them.

On the floor, meanwhile, the Senate agreed on three uncontroversial and mostly technical amendments.

POLITICAL NOTES

Judges Bar Removing Starr

WASHINGTON — Turning aside mounting Democratic criticism of the naming of Kenneth W. Starr as new Whitewater independent counsel, a judicial panel led by Judge David B. Sentelle of the U.S. Court of Appeals said it had no power to remove the independent counsels it appoints.

The three-judge panel rejected a request from Senator Carl M. Levin, a Michigan Democrat, who asked the judges to get a full accounting from Mr. Starr of his political activities and decide whether they comport with the appearance of impartiality required of an independent counsel.

In denying Mr. Levin's request, Judge Sentelle said the law does not require Mr. Starr to disclose his political activities. The judges have "no current power of supervision or termination" over Mr. Starr, he wrote, and they are not authorized to offer "advisory opinions" about the appearance of impartiality.

Under the law, an independent counsel can be removed through impeachment by Congress or by the attorney general for "good cause" or impairment.

Mr. Starr was solicitor general during the Bush administration and has been an active supporter of conservative Republican politicians.

Democratic opposition to Mr. Starr has continued to grow, with 39 members of the House signing a letter calling on the judges either to urge Mr. Starr to withdraw or explain how he can meet the legal standard of appearing to be impartial. (W.P.)

Justice Dept. Backs Immunity

WASHINGTON — The Justice Department has thrown its weight behind President Bill Clinton's claim that the sexual harassment suit he is facing from a former Arkansas clerical worker should be put off until his leave office.

In a brief filed with a federal court in Little Rock, Arkansas, the department argues that the president is immune from a civil suit while

he is in office. To allow the sexual harassment suit to go forward, the department argued, would irreparably interfere with the president's performance of his official duties.

The 25-page legal argument from the department was obtained from the lawyers for Paula Corbin Jones, the woman who brought the lawsuit on May 5. (NYT)

NAACP Meets on Chief's Fate

WASHINGTON — Benjamin F. Chavis Jr., the embattled executive director of the NAACP, was expected to face a severe test over the weekend at an emergency session of the civil rights organization's board in Baltimore called to pass judgment on his tenure.

Mr. Chavis is at the center of a political storm caused by the disclosure last month that he had secretly committed up to \$322,400 of the debt-ridden organization's funds to settle a sex discrimination complaint by a former employee, Mary E. Stansel. Other critics have said Mr. Chavis is leading the National Association for the Advancement of Colored People toward bankruptcy and threatening to destroy its historic role as a mainstream champion of integration politics by courting the Nation of Islam leader Louis Farrakhan and other black extremists.

Meanwhile, Mr. Chavis has apparently resolved an allegation about his behavior with a second woman employee. His wife's former secretary, Susan Tisdale, 32, of Cleveland, is backing off claims of improper behavior she was preparing against him. NAACP sources said.

Quote/Unquote

Kweisi Mfume, chairman of the Congressional Black Caucus, on the difficulties of forging a crime bill that will pick up necessary support: "This thing is such a delicate balancing act that, if you do one thing to get this group of lawmakers, you almost automatically lose that group of lawmakers. Everything about this bill seems to be governed by the physical laws of equal and opposite reactions."

Quote/Unquote

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Short on resources, a new special prosecutor for electoral crimes has not prosecuted anyone yet. A half-dozen "citizen-magistrates" have taken control of the federal elections board in Mexico City, but only a tiny fraction of the agency's officials have been replaced at its offices around the country.

And despite constant allegations of governing-party abuse, new limits on campaign spending and the use of government resources for political gain have gone virtually unenforced.



Mexico City is strong with tens of thousands of political banners as its residents prepare for elections on Sunday.

Thumbprints and Guards at Ballot Boxes

By Tim Golden
New York Times Service

MEXICO CITY — To scrub the stain of illegitimacy from Mexican elections, the government has spent hundreds of millions of dollars on new voter-registration cards, brought in foreign experts to audit its voter rolls and developed an ink that voters will not be able to wash off their thumbs to vote again.

When Mexicans choose their next president on Sunday, the slots in the ballot boxes will be narrow to hamper ballot stuffing. Governing party organizers will face jail sentences if they pay for votes, and tens of thousands of observers will be on guard around the country to make sure they do not try.

Yet, while the actual voting will almost certainly be the freest in Mexico's modern history, the government's failure to fully carry out other agreed-upon reforms has left doubts among Mexicans that the political competition leading up to the election has been entirely fair.

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And despite constant allegations of governing-party abuse, new limits on campaign spending and the use of government resources for political gain have gone virtually unenforced.

"People who are saying these are going to be truly democratic elections are confusing the start of this process with the end," said Sergio Aguayo, a political scientist who leads the most prominent group of observers.

More than ever before, the governing Institutional Revolutionary Party would appear to have a genuine interest in keeping at least the balloting clean. Its presidential candidate, Ernesto Zedillo Ponce de León, is comfortably ahead in all of the more reputable opinion polls.

Though he has wielded the overwhelming powers of incumbency in the campaign, he has said he wants no undue help on election day.

It remains unclear whether that message has filtered down to candidates for Congress and other posts from the more traditional and corrupt wings of the governing party.

The immediate fear among officials is that doubts about the system and complaints of an unfair campaign could fuel violent protests if Mr. Zedillo wins amid even a hint of fraud.

But even if the threat of unrest does not materialize, it is almost a given in the governing party, known as the PRI, that the new president's strength will depend greatly on the credibility of official results.

"We are trying to have Swiss elections in a country that is not Switzerland," said Humberto Lira Mora, the chief PRI election official. "There is a cultural inertia. Some PRI members have not understood that things have changed."

The darkest shadow over the vote on Sunday, however, is entirely of the PRI's making.

In the election six years ago, after early returns from urban areas showed the main opposition candidate, Cuauhtémoc Cárdenas Solórzano, ahead, electoral officials interrupted reporting, saying the vote-counting computers had broken down. When the results began to appear again days later, victory went to Carlos Salinas de Gortari by a margin of 50.3 percent.

In June, Arturo Núñez Jiménez, the director of the Federal Electoral Institute, the agency in charge of organizing elections, admitted publicly that his predecessors had "opted for the system to fail" in 1988.

Even so, the interior minister at the time, Manuel Bartlett Díaz, now the PRI governor of Puebla State, has continued to argue that nothing untoward went on. It has not been possible to check the figures because copies of the polling station results were burned.

The reforms that Mr. Salinas has undertaken to that system began with voter rolls that were filled with Mexicans who somehow kept voting for the PRI long after their deaths.

Following several state elections in which some opposition parties complained that the registry excluded many of their supporters, the validity of the rolls has continued to be challenged, particularly by Mr. Cárdenas's Democratic Revolutionary Party.

Democrats See Crime Bill Gain

By Kenneth J. Cooper and Ann Devroye
Washington Post Service

WASHINGTON — Democratic leaders in Congress say they have made "great progress" toward assembling majority support for a compromise crime bill, which they predict the House will approve within weeks.

That prediction came from Senate majority leader, George J. Mitchell of Maine, and the House speaker, Thomas S. Foley of Washington, after they and other Democratic leaders met with President Bill Clinton.

To push the election-year legislation through the House, over the opposition of most Republicans and anti-gun control Democrats, officials said, they had won over five Democrats and reached an agreement to trim \$1 billion from the \$38 billion bill, which retains support from 11 Republicans.

"Crime is the No. 1 issue," Representative Henry Hyde, Republican of Illinois, said Friday. "But that doesn't mean you lay down and play dead."

Democrats were working on significantly higher trims — up to \$3.5 billion — to win more Republican support, having concluded they could not get more Democratic votes.

Mr. Mitchell was unequivocal in predicting that the legislation would pass. The bill was blocked last week when a key procedural rule was defeated, 225 to 210.

"We believe it will be enacted in the next few days," Mr. Mitchell said.

Asked if he expected a political battle in the Senate, Mr. Mitchell said the Senate would "stay with it" until it passes crime legislation.

Besides the cuts in prevention programs, modest changes in the bill would strengthen a provision allowing local authorities to notify residents when a violent sexual offenders is released into a community.

The official said a compromise on assault weapons could pick up two Democrats at most. The National Rifle Association "is digging in on this," an official said.

Can Coelho, a Revival Expert, Pump Up Clinton at the Polls?

By Stephen Engelberg
New York Times Service

WASHINGTON — Last year, when Congress was blocking final government approval of a genetically engineered hormone that had cost hundreds of millions of dollars to develop, the drug's maker, the giant chemical concern Monsanto, turned for advice to a man renowned for his skills as a legislative strategist.

When Sun Diamond Growers, the California agribusiness, organized a dinner earlier this year to retire the congressional campaign debt of Henry Espey, brother of Agriculture Secretary Mike Espey, it called on one of the most prolific fund-raisers in Democratic National Committee.

And last week, when President Bill Clinton was looking for a gifted political pro who could rebuild the president's popularity and rescue sagging Democratic prospects for the November elections, he chose a man with an encyclopedic knowledge of the nation's congressional districts.

The man whose expertise is so prized by so

many disparate groups? Tony L. Coelho, who left Congress as House majority whip in 1989 to pursue a lucrative career as a New York investment banker amid accusations that he had improperly used his political contacts to arrange and finance a \$100,000 junk-bond investment for himself.

Since leaving the House, Mr. Coelho has committed to New York, where he has learned the intricacies of money management. At the same time, he has kept his hand very much in the Washington game and the announcement last week that he was accepting a three-month unpaid stint as chief election strategist and spokesman at the Democratic National Committee brought mixed responses.

While the coterie of Democratic campaign consultants and career politicians embraced it as a savvy move by a mischievous White House, others worried that Mr. Coelho was once again blurring the lines among business, politics and personal interest.

"I'm never happy unless I have several balls in the air," Mr. Coelho said in an interview. And that he has.

Since Mr. Clinton's election almost two years ago, Mr. Coelho has served as an informal adviser to the White House, attending several high-level strategy meetings a month. He is raising money for the legal defense fund that will help the president fight Whitewater accusations and the sexual harassment charged raised by a former Arkansas employee. And his former aides hold important posts in the Clinton administration.

What Mr. Coelho calls his "extended family" includes Thomas R. Nides, chief of staff to Mickey Kantor, the U.S. trade representative; Marcia L. Hale, head of the White House office that deals with governors and state legislators; and Kim Schnoor, senior aide to Mr. Espey.

Leon E. Panetta, his former colleague in the California congressional delegation, is now the White House chief of staff and was instrumental in the selection of Mr. Coelho as the new party overseer.

At the same time, Mr. Coelho earns more than \$1 million a year as president of a

subsidiary of Wertheim Schroder & Co., a New York investment bank that manages nearly \$4 billion for pension funds, corporations and well-heeled individuals.

Fred Wertheimer, president of the public-interest lobbying group Common Cause, says Mr. Coelho's role at the White House and in the Democratic Party put him in a "quasi-public, quasi-private" position that could allow his banking company to take advantage of inside information about policy.

"That's not an argument that he's going to do it," Mr. Wertheimer said. "But it's a dangerous situation."

Mr. Coelho says he gains no business advantages from his ties to the Clinton administration and never lobbies for companies or friends who need help from the government, although he acknowledges that clients frequently seek his counsel on the ways of Washington.

"It happens all the time," Mr. Coelho said.

"I will give people advice. People will say to me, 'Tony, I'm having this problem with Joe Schmo or X bill or agency.' I will give them

my best advice, based on 25 years in government. But if they want something done, I say, 'Go see this law firm or that lobbyist.'

Mr. Coelho said he saw no reason to disclose his clients, as Mr. Wertheimer of Common Cause has suggested his do.

Lloyd N. Cutler, who accepted a temporary stint as White House counsel, took a leave of absence from his law firm to do so. And several of the political consultants who advise Mr. Clinton, including James Carville and Paul Begala, have publicly disclosed their client lists.

But both Mr. Carville and Mr. Begala are paid for their work under contract with the Democratic National Committee. In contrast, Mr. Coelho said, "I don't get a cent."

"I'm an adviser," said Mr. Coelho, who, unlike some of Mr. Clinton's other informal advisers, has never held the permanent pass that grants unfettered access to the White House. "I don't have an office. I don't have hours. I'm a citizen of this country who is advising the people who run my party."

Dining Out

PARIS 2nd
AUX LYONNAISES
Traditional bistro cooking in authentic 1

International Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Back and Forth on GATT

The Clinton administration fought for consumers when it signed a trade accord in April with more than 100 other countries in Morocco. But it besmirched its record when it sent Congress implementing legislation that contradicted the Marrakesh accord in dozens of places. It was as if the Commerce Department had decided to protect powerful corporate friends in steel, textiles and cement rather than consumers or the vast number of U.S. companies that need to buy low-cost foreign goods.

Then House and Senate committees took the administration's draft and made it worse. Conference will meet soon to hammer out final language—providing a chance to fix the wrongs.

At issue are anti-dumping statutes, which require foreigners to sell in America at fair prices; foreign companies may not sell at prices either below what they charge in their home country or below their cost of production. But the United States and other countries manipulate anti-dumping laws to shut out imports that are not dumped. The Marrakesh accord tries to limit that protectionist practice.

The accord says that the United States must make a fair comparison between prices at home and abroad. But the Senate committee, at the insistence of Ernest Hollings of South Carolina, proposes a formula which by treating profit differ-

ently at home and abroad, would artificially deflate the calculation of prices that some foreign businesses charge in the United States—and make conviction for dumping near certain.

The accord recognizes that production costs typically decline for new companies during a break-in period; Washington is supposed to calculate a foreign company's costs at the end of the break-in period. But the administration and congressional committees propose making such costs appear high by using an earlier period.

The Marrakesh accord allows countries to retaliate only if domestic industry has been harmed. To show harm, the United States would have to demonstrate substantial imports compared with the size of domestic production. House and Senate committees, with administration support, propose to make U.S. production look small—and dumping look harmful—by ignoring a substantial part of U.S. output, known as captive production. That refers to goods made not for sale but for use in other goods—a computer business's production of semiconductors, for example.

In Marrakesh, the Clinton administration stood for open trade and economic growth. At home, it proposed sizable doses of protectionism. The conference will now decide which policy is the final one.

—THE NEW YORK TIMES.

Sri Lankan Legacy

After 11 years of civil war and a violent parliamentary campaign, Sri Lankans gave most of their votes on Tuesday to the opposition socialist People's Alliance, ending 17 years of dominance by the market-oriented United National Party. The likely result will be a coalition government led by Chandrika Bandaranaike Kumaratunga, whose parents have both served as prime minister and whose politician husband was assassinated in 1989. But her prospects are uncertain. Her parliamentary margin is narrow, and another election is scheduled in November to choose a president, an office with broad powers.

What seems sadly certain is that Sri Lanka will not recover the optimism and peace that graced its birth in 1948 as Ceylon (the name was changed in 1972). In the first decade of independence, religion and ethnicity came to dominate the country's politics. The Sinhalese majority is mostly Buddhist, and the Tamil minority is predominantly Hindu.

The sectarian genie was loosed by Mrs. Kumaratunga's father, Solomon Bandaranaike. Oxford-educated and born to a prominent Sinhalese Christian family, he converted to Buddhism on returning to Colombo. His party came to power in 1956, the 2,500th anniversary of Buddha's attainment of Nirvana. Capitalizing on the

fever, the prime minister promoted Buddhism and made Sinhalese the official language, handicapping the minority Tamils in the competition for civil service jobs.

The argument over language stirred communal riots. The prime minister retreated a little to allow "reasonable use" of Tamil, and was murdered in 1959 by a Buddhist monk. So began a tragic cycle as Tamils resorted to insurgency, provoking government reprisals and repression, leading to an ill-fated intervention of Indian troops in Sri Lanka to disarm Tamil militants. Rajiv Gandhi, who sent the soldiers, was killed in 1990, probably by a Tamil terrorist. Whenever any leader, Sinhalese or Tamil, proposes compromise, cries of sellout arise from one or another community, periodically underscored by assassinations.

That is the dismaying legacy that confronts Mrs. Kumaratunga, who is already assailed as too soft or too hard. Her 78-year-old mother, who has served two terms as prime minister, is said to be considering a run for the presidency. Americans can only wish Mrs. Kumaratunga well as she tries to carry out her promises of a new peace initiative with rebel Tamils. Sri Lanka deserves better than remaining an object lesson on sectarian hatred.

—THE NEW YORK TIMES.

Why Altman Had to Go

As deputy secretary of the Treasury, Roger Altman had standing and reach within the Clinton administration that were considerable. He came to Washington this time around not just as a one-time friend of the new president but also and more importantly as a man of considerable experience and accomplishment. Having served as an assistant Treasury secretary in the Carter administration, he was thought to be familiar with the ways of Washington. He had emerged as a central figure on the president's economic team for his role in the successful passage of Bill Clinton's deficit reduction plan and the North American Free Trade Agreement. By all accounts, he was one of the administration's brightest stars. Now all that has come to an end.

Roger Altman joins a long list of public figures who have been forced to undergo the pain of leaving jobs they have enjoyed. As in many of the other cases, his withdrawal has not been pleasant to watch. To observe the Senate Banking Committee's Don Riegle (of the Keating Five) and Alfonse D'Amato (of ethical lapses) acting as if it were scandalous for men of their probity to have to deal with the likes of Mr. Altman is a bit much. If any two senators know what it means to be suspected of breaching the public trust, Messrs. Riegle and D'Amato surely must. But leave Mr. Altman should.

This is not because he breached any laws or the technical standards for ethical conduct for executive branch employees. Independent Counsel Robert Fiske, respectively, cleared him and other Treasury and White House aides of such charges. But Mr. Altman, through his failure to provide a complete and candid accounting to Congress of his knowledge of contacts between the White House and the Treasury Department over the Resolution Trust Corporation's Whitewater probe or of discussions of his recusal

plans, severely damaged his own credibility and his department's.

Mr. Altman does not stand accused of betraying the public trust for personal gain or of lying to Congress. But in attempting to wheel and deal his way around the White House and to be a protector of the Clintons' political fortunes (neither purpose compatible with the responsibilities of his Treasury job), he exemplified political ambition foolishly, even recklessly pursued. In resigning on Wednesday, he acknowledged that leaving his post was "the proper step to take." President Clinton, while expressing regret, had no choice but to agree.

—THE WASHINGTON POST.

Other Comment

A Year for Rethinking in Japan

Forty-nine years after its surrender in World War II, Japan remains steeped in denial, torment and revisionism regarding its true role in that conflict. Tokyo's inability to truly come to terms with its militaristic past continues to haunt the nation and disappoint its neighbors and allies. However, Tomiochi Murayama, should he survive in a time of revolving-door changes of Japanese prime ministers, plans to make 1995, the 50th anniversary of the war's end, a year for self-reflection and apology to Japan's victims.

The task will be formidable; already debates and reflections have begun in newspapers and television broadcasts. Educating the Japanese public is itself a monumental task. Generations of post-war Japanese have virtually no objective knowledge about Japan's aggression in Asia because government-sanctioned textbooks simply ignore much of that era. Even worse are the politicians who persist in whitewashing Japan's brutal past.

—Los Angeles Times.



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Simpson Is Seeking Records on Detectives

By Michael Janofsky

New York Times Service
LOS ANGELES — Lawyers for O.J. Simpson have filed a motion seeking access to personnel records of the four police detectives who investigated the stabbing deaths of his former wife and a friend of hers. They specifically asked for any records that would show if one detective, Mark Fuhrman, had a history of racial bias.

The motion represented the first time that allegations of racism had been raised in official court records of the case.

The lawyers contend in the motion, which is to be argued in court Aug. 31, that the records are "critical to central issues regarding the credibility of the detectives and the 'hidden motives and potential prejudices' of Mr. Fuhrman."

Defense attorneys described Mr. Fuhrman as "a dangerous officer with a propensity to create false information against African-American defendants."

He was the detective who recovered a right-handed, blood-stained glove on Mr. Simpson's property that appeared to match a left-handed glove found at Nicole Brown Simpson's townhouse.

Mr. Fuhrman's attorney, Robert H. Touretz, vehemently denied the allegation and said the defense's attack on his client was "a desperate act by a desperate attorney."

Mr. Simpson's trial on the two murder charges is scheduled to begin Sept. 19. He has pleaded not guilty.

The defense lawyers accused the detectives of mistating facts and acting improperly to justify their request for a search warrant for Mr. Simpson's estate June 13, the morning after the bodies of Ms. Simpson and a friend, Ronald L. Goldman, were found at Ms. Simpson's townhouse.

Defense lawyers asked for records for the last five years on the four officers — Mr. Fuhrman, Philip Vannatter, Tom Lange and Ronald Phillips. The defense said it wanted to check whether any of the officers had falsified documents or evidence in case had failed to follow department policy or had had contact with Mr. Simpson or the two victims.

The defense also asked for a wealth of background on Mr. Fuhrman, including anything that would describe "acts of alleged prejudice or bias" based on race, sex or ethnicity.

The motion, filed Thursday, includes several documents, including psychiatric reports already made public by the defense, in which Mr. Simpson's lawyers assert that Mr. Fuhrman expressed "negative opinions against African-Americans and other people of color."

The motion also alleges that there was a 1987 complaint in which Mr. Fuhrman was accused of shooting a suspect and then, the motion says, helping "plant a weapon near the fallen suspect" as a way to justify his action.

In a 1991 lawsuit, Joseph J. Britton alleged that he was shot six times by Mr. Fuhrman and another officer in that incident on April 7, 1987.

Mr. Britton's lawyer, Robert Deutch, said testimony during a trial last fall indicated that Mr. Fuhrman had picked up a knife from one location and placed it near Mr. Britton's feet.

A substantially different version of the same incident emerges in a report prepared by prosecutors who routinely investigate shootings involving officers. Those prosecutors found no wrongdoing on the part of the officers.



At the funeral: Secretary of State Christopher and foreign ministers Kooijmans of the Netherlands, Kinkel of Germany, and Claes of Belgium.

NATO Puts Off Decision on Successor to Secretary-General

Reuters

BRUSSELS — The North Atlantic Treaty Organization will leave the question of who should become secretary-general of the alliance until next month, an alliance spokesman said Friday.

"There will be no formal consultations on the succession to Manfred Wörner before the beginning of September," he said.

Foreign and defense ministers from many NATO

nations and some from Eastern Europe attended a memorial service for Mr. Wörner on Friday. He died a week ago, aged 59, after a long battle against cancer. He had held the post of secretary-general since 1988.

Diplomats said NATO could not afford much delay in choosing a successor to Mr. Wörner when the alliance's credibility was being constantly tested by the twists and turns of the war in Bosnia.

NATO also wants to decide on a replacement in a way that avoids the public dispute that marred the European Union's recent choice of a new president for the European Commission.

Thorvald Stoltenberg, a former Norwegian foreign minister and now a United Nations peace mediator in former Yugoslavia, has emerged as a possible front-runner for the NATO job, along with the former Italian prime minister, Giuliano Amato.

BOSNIA: Concern Over Arms Ban

Continued from Page 1

at least a year for the Bosnian Army to transform itself.

By that time, however, it could find itself holding even less territory than the 28 percent of Bosnia it now controls by force, striving to achieve strategic stability.

Last winter, Muslim forces concluded a peace agreement with Bosnian Croats, against whom they fought a vicious war for a year. The renewed alliance launched its first combined attack last week against Serbs near the Bosnian town of Vares.

Still, UN officers say the Muslims and the Croats are not ready to attack Serbs without UN troops on their flanks.

According to a report this month by the London-based International Institute of Strategic Studies, Serbian tanks outnumber Croat and Muslim tanks by 330 to 115. The Serbs also have an edge in artillery pieces, 800 to 600.

The main problem, according to Mr. Carter and several senior UN officers, is that the Bosnian Army will be under pressure at least to make it more difficult for Serbs in Bosnia to get the supplies they need. Mr. Milosevic finally sealed Serbia's border with the Serbian-held Bosnian territory on Aug. 4, after the Bosnian Serbs rebuffed the latest partition plan.

The plan, which is endorsed by the United States, would divide Bosnia roughly in half. Several parts, adding up to 51 percent, would be controlled by the federation of Bosnian Croats and Muslims. The remaining 49 percent would be ruled by the Serbs.

Mr. Mitterrand and Mr. Balladur made no reference to the new exodus, which this week led the United Nations, the United States and numerous nongovernmental organizations to urge France to continue to provide protection to refugees in the safe zone.

The French leaders merely noted that "France has done everything to ensure that the

UN Halts Airlift Following Death Of Peacekeeper

Agence France-Presse

SARAJEVO, Bosnia-Herzegovina — The airlift of food and other aid into Sarajevo was suspended Friday as the United Nations opened an investigation into the death of a French soldier.

A United Nations spokesman said the airport was re-opening to military traffic but that the airlift would remain out of operation.

An investigation was launched after a French soldier was killed in Sarajevo on Friday in what Paris described as an "intolerable" action against a man whose mission was "entirely in the service of peace."

Initial findings showed that a paratrooper, Jean-Marc Carbone, 22, was deliberately shot in the head with a 5.56mm bullet while he was on guard at an observation post between Muslim and Serbian sectors. He was the 22nd French soldier to be killed in Bosnia.

The German police fear some

BOMB: Russian Admits Thefts of Nuclear Materials

Continued from Page 1

including plutonium-239. European experts say they believe the plutonium comes from Russia, but Moscow denies it.

Mr. Novikov also denied speculation that the smuggling of nuclear material was being controlled by organized criminals.

St. Petersburg officials said Thursday they had arrested three Russians who tried to sell a 60-kilogram (130-pound) metal container of radioactive material in Kaliningrad, a Russian enclave between Poland and Lithuania on the Baltic.

On Friday, the officials denied sharply over what was in the container, but it seemed clear the object did not contain weapons-grade material.

Bernard Schmidbauer, chief of staff to the German chancellor, Helmut Kohl, is to arrive in Moscow on Saturday to "find out how much the Russians know and how we can increase safeguards," according to a German Embassy spokesman.

The German police fear some Russian officials are involved in

the smuggling of nuclear material, he said Friday.

Mr. Schmidbauer, Mr. Kohl's intelligence coordinator, made the comment in discussing why the police did not notify their Russian counterparts of a "sting" designed to entrap a suspected nuclear smuggler.

Russian officials dismissed the German's visit as unnecessary. "There should be no worry because there is nothing to worry about," said a spokesman, Vladimir Kurnosov.

"Our service has registered no theft or loss of uranium or plutonium from Russian nuclear facilities."

Despite the denials, Russian atomic-energy officials are investigating three main sites from which they suspect diversions of weapons-grade nuclear materials of the kind recently seized in Germany, U.S. nuclear experts said.

All the sites are in Russia, and all are involved in the production of a fuel for nuclear reactors known as MOX, or mixed oxide fuel, a combination of the oxides of uranium and plutonium.

Dr. Alexander De Volpi, a physicist at the Argonne National Laboratory in Illinois, a main research center of the Energy Department, said in an interview that breeders were the only rational way for plutonium to be used.

"Will our children and grandchildren be thankful to us when they experience a lack of fuel in the future?" he asked.

The first of the Russian sites, Mr. De Volpi said, is Mayak, also known as Chelyabinsk-65, or the Kyshtym complex. Located 1,500 kilometers (900 miles) east of Moscow, near the Urals, not far from Kazakhstan, it is a large industrial center where many reactors produce all kinds of nuclear materials, including MOX.

The second site, Mr. De Volpi said, is the Bochvar Institute of Inorganic Materials in Moscow. It conducts nuclear studies on plutonium and is apparently involved in handling, analyzing and testing.

The third site is the Institute of Atomic Reactors, on a branch of the Volga River in Dimitrovgrad, 450 miles east of Moscow. It has a large reactor, known as the BOR-60, a 60-megawatt device that can use MOX.

(Reuters, AFP, NYT)

RWANDA: Border May Be Shut

Continued from Page 1

leave before a UN mandate expires at midnight Sunday.

In a rare joint statement confirming the planned withdrawal, President François Mitterrand and Prime Minister Edouard Balladur said it was up to "the Rwandan authorities and the international community to assume their responsibility" beginning today.

Mr. Mitterrand and Mr. Balladur made no reference to the new exodus, which this week led the United Nations, the United States and numerous nongovernmental organizations to urge France to continue to provide protection to refugees in the safe zone.

The French leaders merely noted that "France has done everything to ensure that the

departure of its forces takes place under the right circumstances and in a way designed to keep Rwandans in their country."

The 1,200-member French contingent in the zone is being replaced by Ghanaian and Ethiopian troops under UN command. Although the new government in Rwanda has pledged not to invade the area, it has said that it will eventually occupy the region.

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ART

Saturday-Sunday.
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The Start of a Revolution in Painting

International Herald Tribune

PARIS — In the late 16th century, an extraordinary development that would change the entire course of Western art took place in the Italian city of Bologna. Without giving up the traditional scenes, biblical or mythological, for

SOUREN MELIKIAN

which they received commissions, three artists from the Carracci family shifted their attention away from the conventions required by the subject to the life and nature that lay behind it.

How the two brothers, Agostino and Annibale Carracci, and their cousin Ludovico, did this in their drawings can be seen at the Louvre, in the Pavilion du Flore, until Sept. 26. Catherine Legrand, the Louvre curator who put together the show of 103 sketches, all drawn from the museum collection, called it "La réforme des trois Carracci." The three Carracci, she argues, reformed Western painting by looking at antiquity and nature. The new style signaled the end of the Mannerist school, then steeped in decadence.

The magnificent pageant of sketches, many displayed for the first time, makes the case. But it tells another more curious and more gripping story. If the Carracci looked at real life as on one bad done before them in Europe, they confirmed what they saw to their drawing sheets. What filtered through into their finished paintings was polished up beyond recognition.

The transformation process is illustrated with striking effectiveness by the sketches done for paintings focusing on a single figure, particularly those by Ludovico, who comes out as a far greater artist than has been realized.

One of the most remarkable drawings by Ludovico shows an aging Franciscan monk kneeling in the dust, his gnarled arthritic hands spread out with difficulty. The face, half drowned in darkness, bends



"St. Sebastian Thrown Into the Cloaca Maxima" by Ludovico Carracci.

forward to gaze at a very small crucifix left lying around as if looters had just left the place. The expression is one of frozen sadness. There are no frills, no background. The portrait is as powerful as it is terse.

It has been used virtually as is in the picture of "St. Francis," now in Rome. But the conciseness is lost. The saint kneels in a mountainous landscape. Another monk is praying in the distance. The mise-en-scène is a source of distraction.

Even where no props are added, the vigor of the drawings is lost in the painting over dramatization. Ludovico's masterpiece is, perhaps, the red chalk study of an old man seated on the ground, shaking with grief as he raises his clenched fists at the sky. His eyes are hardly visible. The furrows coming down along the mouth, the contracted facial muscles, even the toes that seem to grip the ground, are enough to convey the old man's convulsive despair.

The sketch was the model for "St. Peter Repenting," with

minute adjustments — one hand is raised open, the crossed legs do not open so widely. All the tension is gone.

When the sketches are integrated into large composition, the change can border on caricature. A sturdier study of a youth seen head and shoulders, turning back his head, which he tilts with an ambiguous, half-pleading half-rakish smile, has become an infant-sized adult with curly hair (the baby had none) and searching eyes.

This is all gone in the picture. Jesus, in particular, has been changed into an infant-sized adult with curly hair (the baby had none) and searching eyes.

The sparkling chirpiness of the first thought is gone.

Agostino's oeuvre reveals an even greater distance between the studies and the paintings.

One of the gems in the show is a study of two women in the nude whispering to each other. The bust of another woman in the top corner right looks on with a quizzical expression as she puts her forefinger across her lips as if to urge secrecy. She adds to the finished painting, the Virgin recurs but not the laughing mask. The modernity of the scene. None of it survives in "The Marriage of Thetis and Peleus," now in Parma. The chatting women, turned into nereids handled in sculptural fashion, appear in a corner of the study.

girl raises her hand to present a crucifix to Mary with a spring in her movement that has all the alacrity of adolescence. Mary looks down with a happy, slightly impish expression at Jesus, depicted as a real baby, whom she stops from falling off her lap.

So is that of a landscape dashed off in a few strokes and squiggles of the pen dipped in brown ink. A huge human-faced sun disk laughs its way down behind the mountains.

The squashed nose, pressed over a slope gives it a surreal touch.

That vein of fun can recur in the most sophisticated drawings. An unforgettable masterpiece shows the Virgin hands crossed, head tilted, done in vibrating black curves. On the spur of the moment, Annibale inserted a beaming babyish face over her shoulder. The wing of an angel is vaguely suggested. In the finished painting, the Virgin recurs but not the laughing mask. The modernity of the throbbing strokes has been erased.

The Carracci anticipated the way to modernity in their private works, though they did not see fit to keep it up in their pictures.

the composition dominated by a god and goddess in ancient Roman attire. A winged Eros gazes at them. It is all pompous and artificial.

Part of the reason for the distance between the paintings and drawings could be that some of these, now believed to be preparatory studies, may actually have been done freely, for their own sake. Agostino's sketch of a dwarf with a big parrot is executed on the same sheet as a larger figure of a seated woman, probably Mary. There is no connection between the two and this is clearly not a sheet of preliminary sketches. Yet, the dwarf recurs, basically unchanged, in a triple portrait. Agostino must have liked it and picked it up when the need arose.

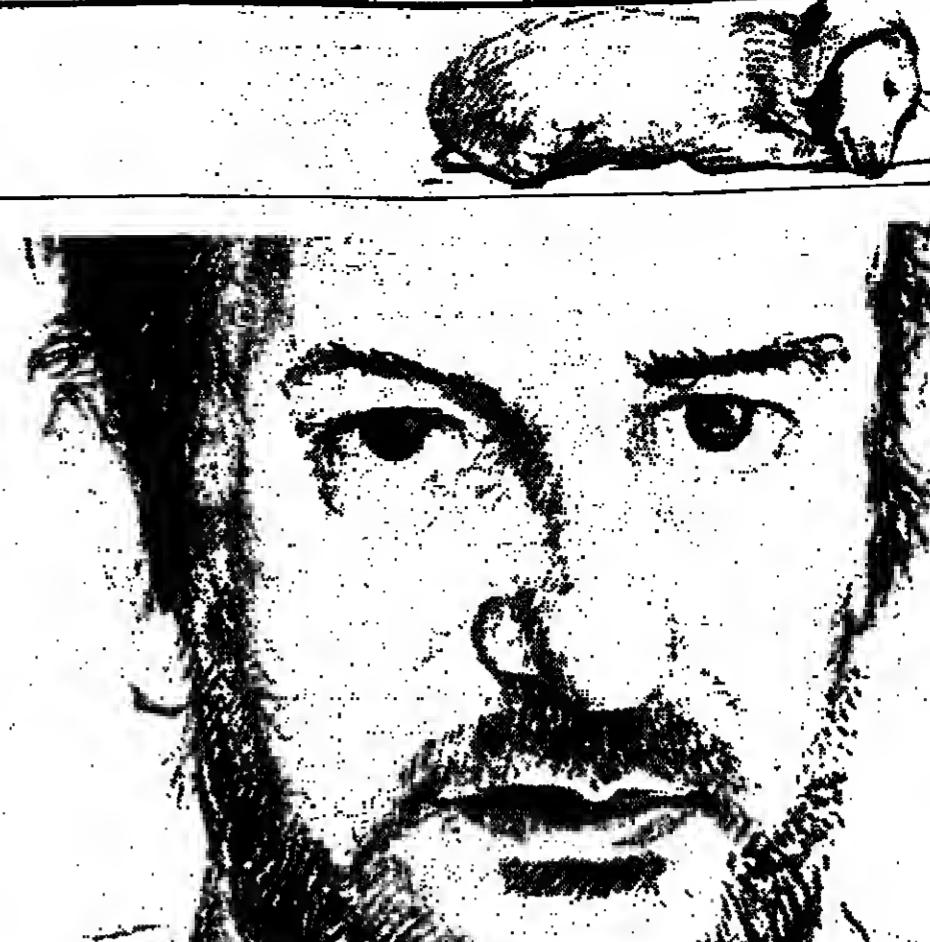
Annibale carried these free drawings to their highest point. The portrait of an adolescent is a penetrating psychological study. Fresh intelligence, youthful sensitivity, restrained eagerness are conveyed all at once in the red chalk sketch done with care but never used for a painting. The head is tilted back in a posture that goes against conventional portraiture. Its modernity is striking.

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Hockney's drawing of Jonathan Silver is in Yorkshire show.

Zooming in on Hockney Show's Drawings Enhanced by Video

By Lawrence Weschler

DAVID HOCKNEY, the great British transplant-Californian artist, is renowned for having created some of the most iconographically vivid and recognizable paintings of the past 30 years — color-saturated evocations of comfort and leisure in the tradition of Matisse, though likewise in thrall to Picasso — but his first love was always drawing and, on occasion, like his masters, he will return to the simple medium of pencil-on-paper with a prodigious vengeance. Such has been the case over the past half year, across which he has created hundreds of drawings of friends and dear friends, the dearest of all these being his dachshund companions Stanley and Boofie. Sixty of these works form the core of a show on view at the 1853 Gallery in the Salts Mill Complex outside his native Bradford in Yorkshire, England (through Sept. 30).

The catalogue for the show is itself remarkable — perhaps the first color catalogue ever of a black-and-white show," as the artist recently commented.

Before shipping the show, Hockney tacked all 60 of its images on the wall of his studio in the Hollywood Hills above Los Angeles, and then, over the first, back in the '60s, he was famously at ease with his homosexuality. His work is strewn with images of languorous young men, naked or not naked, asleep or merely loitering about. The gaze is turns grasping or cupping — loving, protective, celebratory. But with the advent of AIDS, such images have largely fallen out of Hockney's production — they belong to a world tragically gone by. (Many of those men are now dead.) Hockney himself seems to be much more celibate, or at any way his gaze does, but the intimacy of gaze persists and the palpable need for such intimacy, and today it gets lavished on his two doggy companions. Repeatedly he captures them in languorous postures reminiscent of an earlier time.

SOME of the most affecting drawings are those devoted to Stanley and Boofie — and here the aficionado of Hockney's oeuvre may sense a particularly poignant subtext. Hockney is famously gay, and from the very first, back in the '60s, he was famously at ease with his homosexuality. His work is strewn with images of languorous young men, naked or not naked, asleep or merely loitering about. The gaze is turns grasping or cupping — loving, protective, celebratory. But with the advent of AIDS, such images have largely fallen out of Hockney's production — they belong to a world tragically gone by. (Many of those men are now dead.) Hockney himself seems to be much more celibate, or at any way his gaze does, but the intimacy of gaze persists and the palpable need for such intimacy, and today it gets lavished on his two doggy companions. Repeatedly he captures them in languorous postures reminiscent of an earlier time.

Lawrence Weschler is a staff writer with *The New Yorker* and author of books on, among others, the artists Robert Irwin and David Hockney.

In Italy, a Celebration of U.S. Sculpture

By Susan Lumsden

SERAZZA, Italy — First explored by Michelangelo on orders from the Pope, while marbled Monte Altissimo is a logical and beautiful backdrop for the 100th anniversary exhibition of the American National Sculpture Society. Many of the 110 works on exhibit were sculpted from the finest "statuario bianco" that was so desired by the Medici Pope Leo X for his family tombs in nearby Florence.

FOR SALE / SOLD

Hendrix memorabilia: A sale of guitars and psychedelic clothes once owned by American rock star Jimi Hendrix raised £205,000 (about \$315,000) in a London auction, double the auctioneers' estimate. Bonhams' auction house said the main prize, a cherry red Gibson "Flying V" guitar, raised £46,000, again double the pre-auction estimate. Six of

other figurative works, like Harry Jackson's equestrian bronze of John Wayne, were cast nearby in the foundries of Pietrasanta and Camaiore. This region of quarries includes kilns for baking terra-cotta, so realistically rendered in the show's tiny portraits by Laura Ziegler, who, like Jackson, is a local celebrity.

The fact that so many foreign sculptors pass through and even settle here along the Versilian coast prompted the municipality of Scarezzza to invite the National Sculpture Society to

hold its centennial exhibition in the renovated palace of Cosimo I de' Medici.

It is the first exhibition outside the United States and is considered something of a figurative comeback by the National Sculpture Society whose members have created some of the most memorable monuments in the United States, such as the Sherman Memorial by Augustus Saint-Gaudens in Central Park in New York and the presidential profiles by Gutzon Borglum on Mount Rushmore in South Dakota.

"Apart from the public monuments, we have had no venue for a long time," said Stanley Blefield, past president of the society and chief curator of the Scarezzza show. "In New York until recently, they would look at you aghast if you walked into a gallery and said you were a figurative artist."

"It's not that figurative art was too academic — that can be good — it was simply saying nothing. Now that we've opened our membership to a wider range of sculptors and jurors, including those verging

on abstraction, there's a new vitality."

Indeed, what is most striking is the energy exuding from the amassed human and animal figures. From Toni Brücher's emerging "Adam" to Richard Kislis' fallen "Wrestler," the exhibition radiates life.

Another problem for sculptors is getting political approval for their work. "Getting a monument through Washington can take years," lamented Blefield whose Navy Memorial (1985) was remade several times by politicians. The Vietnam Memorial which started as an ideally abstract black granite wall is another example. "Soldiers had to be included, then wives and children. Then, the nurses wanted in. It's a mess."

"For me, the secret of the Renaissance was the power of great and individual patrons who asked a lot of their artist who, in turn, put out. Society need not be a constraint but a stimulus in forcing you to discover something else."

The exhibition, which runs until Sept. 5, also features 22

photos by David Finn of works by past members like Gertrude Vanderbilt Whitney, Anna Hyatt Huntington and Harriet Whitney Frishmuth.

The exhibition will be shown in London, Dallas and Utsunomiya, Japan, in 1995.

Susan Lumsden writes about the arts from Florence.

is devoted as well to the people and culture that survived Hitler's onslaught.

As such, its collection includes the dress issued to Rose Safran in 1944 on her arrival at Auschwitz from Cluj, Romania, and the dress that Frania Blatt Brum made from a bolt of blue-and-white checked cloth given to her by the American liberators of Dachau.

The institution, formally the Living Memorial to the Holocaust-Museum of Jewish Heritage, has about 13,000 artifacts, as well as videotaped testimonies of 650 Holocaust survivors and audio recordings of another 3,000 survivors.

The museum began its collection in 1984, obtaining many artifacts by donation from the survivors, in and out of New York City. It has been operating in makeshift quarters in an office tower on Madison Avenue. The new building is expected to draw 500,000 visitors a year, said the director, David Altshuler.

The completion date is late 1996, he said.

Because the New York City Holocaust Memorial Commission, which is developing the project, has changed its plans considerably over the years, it will no longer need the large parcel that it leased in 1986 at the southern end of Battery Park City. Instead, it will build on a much smaller portion of the property closest to the Hudson River shoreline.

The museum has been designed by Kevin Roche John Dinkeloo Associates. At the core of the building, Roche said, will be an 85-foot (25-meter) shaft, the memorial itself, rising to a skylight from a pool of still water.

The names of Holocaust victims might be displayed within this shaft. Around the perimeter will be the exhibition spaces, on two levels. "The views from the top gallery are of the Statue of Liberty," Roche said, "the symbol of hope."

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\$21.95. Carroll & Graf.

Reviewed by Laurie King

It is 1498, and the Duke of Milan's court is in bad shape. War threatens over the French border, assassins are within the walls, folk are dropping dead on all sides of the beleaguered duke, and in the midst of it all, standing calm while the storm beats around them, are Maestro Leonardo da Vinci and his young acquaintance, the dwarf Niccolò. (Niccolò is not, the author takes pains to say, actually a dwarf, just short; he is also, unlike the Maestro, heterosexual.)

"A Comedy of Murders," George Herman's second novel, is a wild ride into farce and intrigue, a sort of "Shogun" meets "A Comedy of Errors" under the aegis of Sherlock Holmes. Leonardo is Holmes, of course, arrogant and omniscient and given to enigmatic

BUSINESS

International Herald Tribune, Saturday-Sunday, August 20-21, 1994

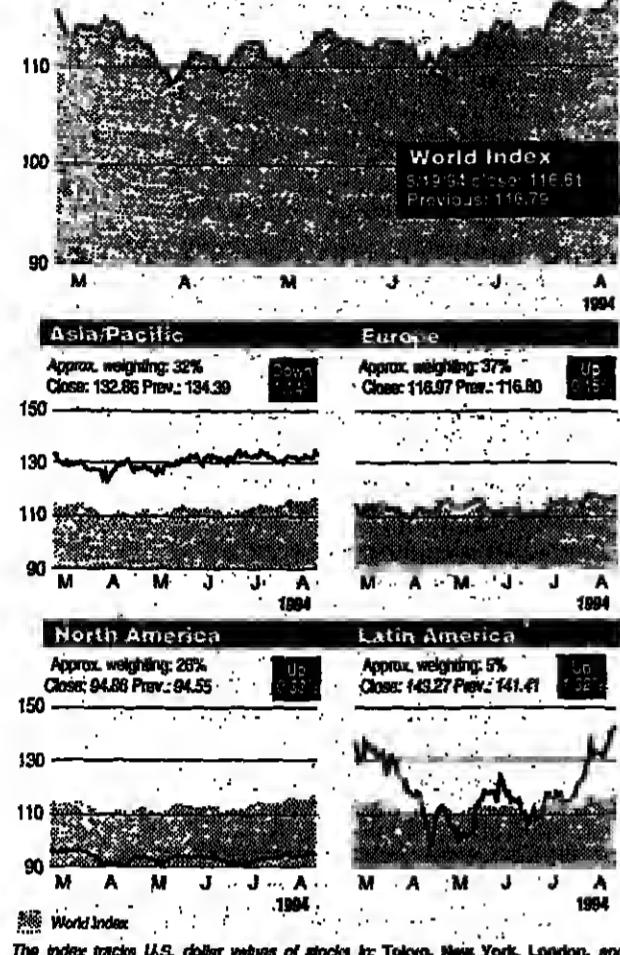
Page 7



THE TRIB INDEX: 116.61

International Herald Tribune World Stock Index, composed of 250 international stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.

120



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Argentine, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, otherwise the top 10 stocks are tracked.

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MARKET DIARY

Stocks Can't Shake High Rate Jitters

Compiled by Our Staff From Dispatches

NEW YORK — Stocks finished mixed Friday as concern that higher interest rates would stymie corporate earnings offset a rally in technology stocks sparked by International Business Machines' run to a 52-week high.

The Dow Jones industrial average slipped 0.32 point to

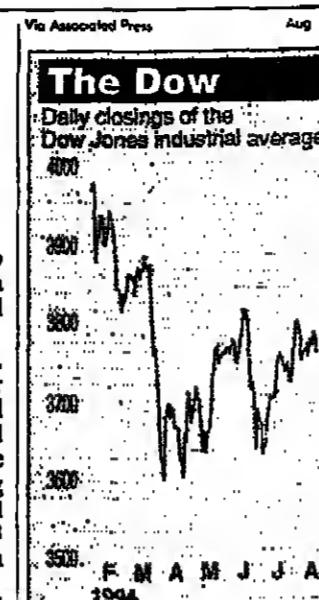
U.S. Stocks

3,755.11, but gaining issues outnumbered losing ones by an 11-to-9 ratio on the New York Stock Exchange.

The price of the benchmark 30-year Treasury bond edged up 2/32 point, to 100 6/32, taking the yield to 7.48 percent, down from 7.49 percent Thursday. But bond prices recovered from steeper losses, which helped underpin stock prices.

IBM jumped 1 1/2 to 68 1/2, a 52-week high, in active trading after an analyst at S.G. Warburg raised his price target on the stock. Merrill Lynch raised its earnings outlook for IBM on Thursday.

Telefonos de Mexico, which trades in American depository receipts, was the most active



IHT

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
TAMEX	4,979	4514	4474	4574	+12
McGraw-Hill	3,812	3444	3404	3474	+25
AMCI	4,655	524	514	524	+12
GenCorp	3,203	478	468	478	+12
20th Century Fox	2,883	13	12	12	+12
GEICO	2,716	20	19	20	+12
Merck	2,684	341	334	341	+12
Coors	2,618	476	466	476	+12
Wright	2,523	24	23	24	+12
JACO	2,584	241	234	241	+12
PLR Net	2,624	614	614	614	+12
Others	1,972	516	506	516	+12
Others	1,726	52	51	52	+12

NASDAQ Most Actives

	Vol.	High	Low	Last	Chg.
Choco	87,630	1254	1244	1274	+12
McGraw-Hill	46,550	524	514	524	+12
AMCI	4,655	524	514	524	+12
GenCorp	3,203	478	468	478	+12
20th Century Fox	2,883	13	12	12	+12
GEICO	2,716	20	19	20	+12
Merck	2,684	341	334	341	+12
Coors	2,618	476	466	476	+12
Wright	2,523	24	23	24	+12
JACO	2,584	241	234	241	+12
PLR Net	2,624	614	614	614	+12
Others	1,972	516	506	516	+12
Others	1,726	52	51	52	+12

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
Choco	87,630	1254	1244	1274	+12
McGraw-Hill	46,550	524	514	524	+12
AMCI	4,655	524	514	524	+12
GenCorp	3,203	478	468	478	+12
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GEICO	2,716	20	19	20	+12
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Others	1,972	516	506	516	+12
Others	1,726	52	51	52	+12

NYSE Diary

	Class	Prev.
Advanced	192	192
Declined	222	222
Unchanged	277	277
New Highs	35	35
New Lows	35	35

NASDAQ Diary

	Class	Prev.
Advanced	192	192
Declined	222	222
Unchanged	277	277
New Highs	35	35
New Lows	35	35

Market Sales

	Today	Class	Prev.
NYSE	37,643	20531	37,643
AMEX	1,524	1,524	1,524
Nasdaq	247,153	322,526	247,153

ever, forecast a sharper attack on the dollar next week.

The dollar finished at 1.5397 DM, down from 1.5437 DM on Thursday, but held its own against the yen, ending at 98.68 yen, up from 98.60 yen.

"People are pretty bearish," said Hugh Walsh, a dealer at INC Capital Markets. "This is a bear market, without a doubt," said Marie Owens Thompson at Midland Global Markets.

A Barclays Bank economist, Peter Luxton, said the market concentrated on U.S.-Japanese trade relationships a day after the announcement of a widen-

ing of the trade deficit. Avinash Persaud, an economist at J.P. Morgan, said the Japanese trade surplus probably would depress the dollar "at least until the start of 1995."

The dollar is also being undermined by expectations that U.S. interest rates will remain steady for some time. "There's unlikely to be any further interest support for several months," said Tony Norfield, treasury economist at ABN Amro Bank.

The Bundesbank's decision to leave German interest rates unchanged after its meeting Thursday led investors to expect the dollar will not gain support from any cut in German rates for at least another two weeks.

The U.S. currency took a large tumble to 5,2745 French francs from 5,3005 francs Thursday, but barely lost 1,2955 Swiss francs from 1,2965 francs. The pound was stable at \$1.5490 from \$1.5491.

(Bloomberg, Reuters)

WORLD STOCK MARKETS

Agency France Presse Aug. 19

Close Prev.

Amsterdam

ABN Amro Hld 46.70 46.60

ACF Holding 39.10 39.10

Anglo-Dutch 44.46 44.46

Ardelt 27.40 27.40

Astra Nobel 47.70 47.70

Balt-Weserco 47.80 47.80

Bayer 47.70 47.70

BASF 44.20 44.20

Bayerische 44.20 44.20

Lufthansa Returns To Profit and Says Dividend Is Likely

Compiled by Our Staff From Dispatchers

FRANKFURT — Lufthansa AG said Friday it had returned to profit in the first half of 1994 and was confident it would be able to pay a dividend for the first time in four years.

The airline said it earned 105 million Deutsche marks (\$68 million) in the half, reversing a loss of 221 million DM in the 1993 first half, helped by rising passenger and freight traffic.

It said revenue from flight operations rose 11 percent from the year-earlier period but did not give specific figures.

"These are the first positive results Lufthansa has reported for the first six months since 1989," Germany's national airline said.

The company has not paid a dividend on its preferred shares since 1990 and on its ordinary shares since 1989.

The airline said its promising first half had led it to revise upward its predictions for the year.

"At the start of the year, we were talking of breaking even," the airline said. "In May, the prospect of reporting positive operating results emerged into the realm of possibility."

"I think Lufthansa is the biggest turnaround story in the airline industry right now," said

Klaus Roepke, a German equities analyst with James Capel & Co. "I think they have made many improvements on the cost side that are now paying off."

But investors appeared unimpressed with the results, sending the airline's shares down to 214.80 DM from 215.50.

Lufthansa said its flights were up 7.5 percent from a year earlier, labor and fuel costs were down, and productivity was up 17.8 percent after 3,728 jobs were eliminated.

The airline's earnings were lifted by surprisingly strong growth in freight cargo, which analysts said was another sign of Europe's economic recovery.

Lufthansa's freight tonnage rose nearly 18 percent in the second quarter, to 664,000 metric tons, the company said. Cargo sales rose nearly 11 percent through June.

The number of passengers carried by Lufthansa Group rose 3 percent, to 17.6 million. The parent carrier, Lufthansa AG, reported a 0.2 percent increase, to 14 million passengers.

The company said it had absorbed a price erosion in air traffic in recent years by tightly controlling costs and by taking other, unspecified "steps in the market and product."

(Bloomberg, AFX, Reuters)

Commerzbank's Profitable Course

Bloomberg Business News

FRANKFURT — From the window of his plainly furnished high-rise office, Martin Kohlhausen, chief executive of Commerzbank AG, can see the skyscrapers belonging to his bigger rivals, Deutsche Bank AG and Dresdner Bank AG.

Mr. Kohlhausen is unperturbed.

"We're only interested in profit-oriented growth," he said. "We don't mind if we're the third or fourth-biggest bank."

And that's fortunate, because over the past few years a third competitor, Munich-based Bayerische Vereinsbank AG, has ousted Commerzbank from third place among Germany's largest commercial banks.

But investors and analysts are not especially concerned, because profit, not volume, has been the focus of Mr. Kohlhausen's strategy for Commerzbank since he took the helm in May 1991.

"Kohlhausen really deserves the credit for what has been quite an improvement in underlying profitability," said Bryan Crossley, analyst at Hoare Govett Ltd. in London.

Mr. Kohlhausen has confounded the skeptics who said he was the wrong man to succeed Walter Seipp, his brash, extroverted predecessor.

His career track has been unconventional.

The chief executives of most big German banks rose through the ranks. But Mr. Kohlhausen is a veritable job-hopper, coming to Commerzbank after working at Westdeutsche Landesbank, Girozentrale AG, Lloyds Bank PLC and Deutsche Bank.

Mr. Kohlhausen, 58, also is the only head of a big German bank who has lived and worked abroad, in Tokyo and New York, and he keeps an unusually low profile for such a powerful figure.

"You hear a lot about Hilmar Kopf and other chief executives," Mr. Crossley said. "Kohlhausen is a bit of a bit of a horse. He's only ever quoted in specific references to Commerzbank."

Last year, Commerzbank, which has assets of 285.4 billion Deutsche marks (\$184 billion), posted net profit of 586.4 million DM, a 40 percent increase from

the adjusted figure for 1992. Bayerische Vereinsbank, by comparison, posted net of 584.3 million DM in 1993 on assets of 289.2 billion DM.

As with other German banks, earnings were lifted by income from own-account trading, which soared in buoyant stock and bond markets last year. But analysts saw more fundamental improvement.

"Risk provisions came down, and profits moved ahead quite a lot," said Ian McEwan, an analyst at Merrill Lynch Europe in London.

But Commerzbank's half-year results disappointed analysts. The bank said operating profit, which is before taxes but includes risk provisions and trading income, fell 23 percent.

Analysts said they expected the full year to be better.

"Commerzbank often performs better in the second half than the first," said Thomas Pergande, an analyst at Vereins & Westbank AG in Hamburg, a unit of Bayerische Vereinsbank. "I could imagine an improvement in the next six months."

Investor's Europe

Frankfurt	London	Paris
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270	3400	2900
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240	3100	2900
230	3000	2900
220	2900	2900
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200	2900	2900
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1994	1994	1994

Sources: Reuters, AFP

International Herald Tribune

Sweden Relieved at Opposition's Budget

Compiled by Our Staff From Dispatchers

STOCKHOLM — The opposition Social Democratic Party said Friday it would cut 61 billion kronor (\$8 billion) from the country's budget over the next four years if it won the elections scheduled for Sept. 18.

The opposition party's election platform relieved financial markets, which had been buffeted by rumors about the manifesto to all week. The dollar weakened

to 7,6814 krona from 7,8431, and most stock prices rose.

The SX general index closed up 7.64 points, or 0.55 percent, at 1,405.95, while the SX16 blue-chip index closed up 9.37, or 0.63 percent, at 1,494.40. But the A-färsvera index slipped 0.49 percent, to 1,894.12.

Although the Social Democrats relaxed their platform after the markets closed, details

of the manifesto were leaked throughout the day.

But the opposition plan is not likely to have an extended calming effect on financial markets, said Darren Cullen, a Scandinavian analyst with Salomon Brothers Inc.

"The Social Democrats are not doing enough to show financial markets that the problem is being addressed," he said. "This means the turbulence in bonds could continue up to the election."

Sweden's budget deficit has been the key political issue since July 1, when Björn Wahlström, chief executive of Scandinavia's largest insurer, Skandia AB, said he would boycott Swedish bonds until politicians brought debt under control.

The state debt currently stands at about 1.27 trillion kronor, and the budget deficit for the year to June 30, 1995 is projected at 160 billion kronor.

Scania predicts that between 130,000 and 135,000 heavy trucks will be sold in Western Europe this year, compared with 114,000 last year.

Truck demand in Brazil this year has risen 25 percent, and in Argentina it has increased 80 percent. Demand also is rising in Southeast Asia and Australia.

(Bloomberg, AFX, Reuters, AFP)

Very briefly:

• French industrial production fell in June after five months of growth, as demand fell for cars and consumer goods.

• Britain's trade deficit with countries outside the European Union was smaller than expected, at \$418 million (\$647 million), in July.

• Norsk Hydro AS said it reached an outline agreement with Texaco Inc. to merge oil-products marketing companies in Denmark and Norway.

• Ford-Werke AG, a unit of Ford Motor Co., said pretax profit jumped 158 percent, to 250 million Deutsche marks (\$161.3 million), in the first six months of the year from 97 million DM a year earlier. Sales were up 11.2 percent.

• Compagnie Générale des Eaux SA said sales rose to 38.1 billion French francs (\$7 billion) in the second quarter from 37.2 billion francs a year earlier. First-half sales rose 2.3 percent.

• Eurotunnel SA sales were 19.38 million French francs in the second quarter, the company said. The figures relate to revenue since the partial start of commercial operations on May 16.

• Banco Santander SA confirmed reports in the financial daily Expansion that it had sold a 1.47 percent stake in Banco Español de Crédito SA. It did not identify the buyer.

• Pechiney International and Vifro of Mexico have reached agreements in principle to manufacture and distribute aluminum beverage cans in Mexico and Central America.

• Swiss producer prices rose 0.1 percent in July from June, while the import price index rose 0.4 percent.

• West German industry in June was operating at 82.3 percent of capacity, compared with 80.3 percent in March.

AFP, Reuters, Knight-Ridder, AFX

KOREA: Foreign Automakers Face Hidden and Not-So-Hidden Barriers

Continued from Page 7
automobiles in 1993, including commercial vehicles; exports totaled 639,000, a 40 percent increase from the year before.

With an expected jump of 15.6 percent in 1994, total production will rise to 2.37 million units — making South Korea's auto industry the world's fifth largest, trailing only the United States, Japan, Germany and France.

Analysts say the South Korean government — led by Hyundai Motor Co., Kia Motors Corp. and Daewoo Corp. — plan to invest billions of dollars to expand output to 4 million units by 2000 and to develop overseas dealer networks.

In response to pressure from foreign automakers, who hope to have 5 percent of the market by 2000, Seoul announced a plan in June to improve Western companies' access. Japanese car companies, however, whose exports of components and licensing fees make up the biggest share of Seoul's wide trade deficit with Tokyo, will not be singled out for tax audits — something alleged by foreign car companies but denied by the government.

Although welcomed, the move was dismissed as inadequate.

"The perception that Koreans shouldn't buy imports has been reinforced over the years in the Korean psyche and in the press, so the statement that buying a foreign car doesn't put one at risk is going to take a few years to sink in," Mr. Jerome said.

The bigger problem is that even if South Korean consumers wanted to buy foreign cars, there would be few opportunities for them to do so now. Western carmakers distribute their vehicles mostly through independent dealerships, but in South Korea these companies are small, each with fewer than 20 outlets nationwide.

South Korea's three big car companies, which operate hundreds of showrooms across the country, own their dealer networks. They too are unhappy

with the situation, preferring instead to have a group of independent dealers that would allow the carmakers to conserve their cash and energies for manufacturing, rather than marketing. But having invested in the networks, they are reluctant to open them up to competing vehicles from foreign makers.

Kia Motors, for example, has rebuffed a proposal by Ford Motor Co., which owns 10 percent of the Korean company, to set up a jointly held dealer network to market Ford vehicles, including the subcompact Festiva built by Kia. Ford, which owns 25 percent of Mazda, set

up a similar network in Japan in 1981.

"We're giving Ford's proposal serious consideration, but any decision could take two or three years," Kia's chairman, Kim Sun Hong, said in an interview. A positive response, he said, hinged on further deregulation that would give small and medium-sized entrepreneurs easier access to financing, allowing them to set up their own dealerships.

"Foreign car companies, who are smart to tie up with the *chaebol* to set up dealer networks," he added.

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SWIFTCALL COMMUNICATIONS

Stocks Fall In India on Reliance's Sales Data

Compiled by Our Staff From Dispatches

NEW DELHI — Reliance Industries Ltd. reported a 25 percent increase Friday in first-quarter sales, but the result fell short of market expectations and generally pulled down stock prices.

The Bombay Sensitivity Index, which tracks 30 major stocks on the country's largest exchange, fell 65.55 points to close at 4,468.75.

Reliance, a petrochemicals and textiles concern that is India's largest private-sector company, said sales for the period had increased to \$32 million from \$24.5 million.

Trading was lighter than usual after a long holiday weekend. India's stock markets will be closed Monday and Tuesday.

Reliance closed down 6.25 rupees (20 cents) at 417.5 on the Bombay market.

Analysts, however, said all of Reliance's divisions, particularly petrochemicals, were strong. They said another factor pulling down stock prices was that institutions were selling shares to raise money for a rash of initial public offerings scheduled for September, and with few investors in the market, some sellers had to accept lower prices.

The number of new issues coming on the Indian market so far is 21 percent more than in the comparable period last year.

■ Taiwan Share Prices Rise

The Taiwan market index moved up 2.7 percent, while most other Asian markets went in the other direction, Reuters reported from Hong Kong.

Taiwan's rise was led by the financial sector as liquidity in the banking system loosened, brokers said.

The Weighted Price Index ended 180.22 points higher, at 6,766.38, in heavy trading.

(Reuters, Bloomberg)

Investors Like Samsung's Outlook

Reuters

SEOUL — Samsung Electronics Co. is confident a semiconductor sales boom that helped send its first-half profit soaring this year will continue. Investors are eager to share the company's prospects.

A spokesman for Samsung Electronics, South Korea's largest electronics maker, said Friday the company had revised its sales projection for the full year to 11 trillion won (\$13.7 billion). That is up from an earlier forecast of 10 trillion won and from last year's 8.15 trillion won.

"For now, how much the projection will be upwardly readjusted appears almost meaningless. Samsung's sales will be far higher than what the company says," Kim Ik-hwan, an analyst at Hyundai Securities Co., said.

"I expect Samsung's net profit for the whole of this year to be around 570 billion won," he said. In 1993 it was 154.6 billion won.

Brokers said investor confidence in the company was reflected in a sharp gain in its share price since it released its January-June results last week.

The share price soared 3,000 won to a record 107,400 in Seoul on Friday, continuing a weeklong rally.

"This rally will continue for a while, and many investors expect Samsung to reach 150,000 won soon," said a Seoul securities broker.

Samsung's net profit leaped to 285.64 billion won in the six months from 56.2 billion won a year earlier. Its six-month sales totaled 5.1 trillion won, compared with 3.77 trillion won.

The company spokesman, Seo Jong Gook, said booming sales of semiconductors and other high value-added products were behind the profit jump, as

sales rose a more modest 35 percent. Mr. Seo said Samsung's business for the second half of 1994 would continue to be led by rising semiconductor sales, which are expected to account for 35 percent of total sales this year, compared with 31.8 percent last year.

"We have steadily increased investment both in facilities and research," Mr. Seo said, adding that this year's investment would total 2.23 trillion won after last year's 2.10 trillion won.

Hyundai Securities' Mr. Kim said Samsung's memory chip exports benefited from a high yen, which caused its international chip prices to rise.

The South Korean currency has lost 11.3 percent of its value against the yen this year. The won's depreciation against the yen boosts the competitiveness of South Korean products in export markets.

Hong Kong Rents Poised to Drop,

Morgan Unit Says

Bloomberg Business News

HONG KONG — The sky-high office prices in Hong Kong are likely to fall 45 percent over the next three years, and apartment rentals should decline 20 percent, Morgan Stanley Asia said.

Peter Churchouse, managing director of the Morgan Stanley Group Inc. unit, said the company's office-market cycle was close to a peak, with prices having risen 225 percent since 1991.

Based on that, he recommended investors switch from Hong Kong office investment companies to real-estate developers, which focus on housing for sale.

Mr. Churchouse said there had been a slowdown in inquiries by companies seeking office space and resistance to the high rents by prospective tenants.

Also on Friday, the Hong Kong Association of Banks decided to raise the interest rates that local banks pay on deposits by a half a percentage point, a move that caused most major banks to raise their prime lending rates.

Reuters

KUALA LUMPUR — A government-run foundation in Malaysia's Sabah state has asked Construction & Supplies House Bhd. to help run a timber concession in Papua New Guinea, a source close to the deal said Friday.

The proposal could provide an important clue to the direction of timber policy in resource-rich Sabah itself now that Prime Minister Mahathir bin Mohamad's National Front has gained control there.

This marks the latest in a series of sometimes controversial moves by Southeast Asian timber companies to extend operations. In recent years, large logging companies — mostly from Malaysia, Indonesia and Thailand — have gained large forest concessions in the Solomon Islands, Papua New Guinea and Vanuatu.

The source said the foundation received a license to log the 70,000-acre (28,300-hectare) site in 1992 but had some problems on its terms that Construction & Supplies could eliminate.

The company would operate the concession, provide working capital and pay a 5 percent royalty to the foundation.

The source said the company's involvement was a sign of a new timber policy emerging in Sabah. The source estimated that the concession would yield 300,000 cubic meters (1 million cubic feet) of logs a year and said Construction & Supplies would stand to make 60 million ringgit (\$23 million) in pretax profit annually.

Construction & Supplies shares rose 20 cents to 9 ringgit Friday in heavy turnover before trading was suspended at the company's request pending an announcement, expected Monday.

Construction & Supplies is controlled by a Sabah lawyer,

Joseph Ambrose Lee, who has arranged to have the Indonesian timber tycoon Prajogo Pangestu take over the holding company.

Mr. Lee was a staunch supporter of Mr. Mahathir's National Front. The Sabah Foundation was set up in 1967 to put profit from logging into social welfare. The foundation and state-run Sabah Forest Industries are the biggest holders of timber concessions in Sabah.

Timber analysts said Mr. Prajogo appeared to be using Construction & Supplies as his vehicle for expansion outside Indonesia.

(Bloomberg, Reuters, AFX)

Papua Log Deal Casts Wide Shadow

Reuters

SEOUL — Commercial banks in South Korea will have to disclose large-scale bad loans and financial "incidents" starting next month, officials of the Office of Bank Supervision said Friday.

Under the new rules, banks will have to immediately notify the office if nonperforming or doubtful loans exceed 5 percent of the bank's equity capital or if other so-called

financial incidents equal more than 2 percent of equity capital.

"The rule was designed to ensure responsible management by the banks, so that depositors and shareholders' interests can be protected," said Seo Moon Yong Chae, an official of the bank regulatory concern.

The new rules also require banks to make periodic announcements of such indicators as capital adequacy ratio.

South Korea Toughens Bank Rules

Agence France-Presse

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NASDAQ

Friday's 4 p.m.
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

AMEX

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

Stock figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividends are shown for the new stock only. Unless otherwise noted, rates of dividends are annual distributions based on the latest declaration.

- a—dividends and splits.**
- b—current rate of dividend per stock dividend.**
- c—liquidating dividend.**
- cd—called.**
- d—new yearly low.**
- e—dividend declared or paid in preceding 12 months.**
- f—dividend in Canadian funds, subject to 15% non-residence tax.**
- g—dividend declared after split-up or stock dividend.**
- h—dividend paid this year, omitted, deferred, or no action taken on latest dividend meeting.**
- i—dividend declared or paid this year, an accumulative basis with dividends in arrears.**
- j—new issue in the past 52 weeks. The high-low range begins with the start of trading.**
- kd—next day delivery.**
- P/E—price-earnings ratio.**
- r—dividend declared or paid in preceding 12 months, plus stock dividend.**
- s—stock split. Dividend begins with date of split.**
- ss—splits.**
- u—dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.**
- v—yearly high.**
- w—trading halted.**
- vi—bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such company.**
- wt—when distributed.**
- wt—when issued.**
- ww—with warrants.**
- x—ex-dividend or ex-rights.**
- xx—ex-distribution.**
- xw—without warrants.**
- y—ex-dividend and splits in full.**
- yk—yield.**
- z—splits in full.**



FIRST COLUMN

Musing On Money and Big Muscles

BE the medium The World Cup, The World Championship of Basketball or The Super Bowl, to name just a few high-profile contests, the world's universal language has become that of sport. And sports are about nothing, as the current professional baseball strike in the United States well demonstrates, if not about money.

What piques the interest of this column, as the strike brings the issue to the fore, is just how much money athletes earn today. The figures warrant the scrutiny, perhaps the wonder, of people who think that a salary of say, \$300,000 per year—or even of \$200,000 or \$100,000—represents an extremely fortunate level of affluence.

According to *Forbes* magazine, the highest-salaried professional athlete of 1993 in a team sport was Reggie White, a defensive lineman for football's Green Bay Packers whose \$9 million annual compensation worked out to \$562,500 per game during the regular season. In second place was Ryne Sandberg of baseball's Chicago Cubs, who earned \$7.1 million for playing second base. Next was Emmitt Smith, a running back for football's Dallas Cowboys, who made \$7 million, or a tidy \$437,500 per game.

These, of course, are just a few major stars. But in the National Basketball Association, the average salary is about \$1.3 million per year, and in U.S. major league baseball, about \$1.2 million. Baseball's median salary is \$500,000.

While it's difficult to comprehend such enormous compensation being paid for expertise at tasks such as shooting a ball through a hoop, hitting a ball with a bat, or smashing into people, the phenomenon exists because the laws of supply and demand have created it.

The question, perhaps, is if that says anything about the qualities that present society values most and is willing to support to such an extraordinary level. Is it pure physical strength? Grace? Determination? In-your-face machismo?

Whatever the true answer, finding it might have a value of its own. P.C.

Executive Benefits Shrinking as Care Costs Rise

By Aline Sullivan

FAT SALARIES and generous perks used to be *de rigueur* for the expatriate executive. Employers believed that they could post their best people abroad only by offering irresistible packages, including comprehensive medical coverage.

But those days are over, say employee-benefits consultants. For one thing, companies are finding that executives can be convinced to relocate abroad more easily, with far fewer enticements. At the same time, freezing or cutting medical insurance benefits is proving a valuable way for companies to cut costs.

"Expatriate executives used to get the best of everything," said Bob Heitzman, director of international benefits and compensation consulting for auditing firm Ernst & Young in New York. "That has become less true in recent years. Companies are trying to cut down on costs by getting their employees into the local health systems as fast as possible."

For the executive, that may not be such a bad thing. In many European countries, the national health care systems offer benefits superior to the scope of the average private insurance policy. Most major surgery analysts say, is paid for by public-sector insurance, leaving private a private policy to pick up the tab for preventative screenings and other care. Many executives returning home after a stint in Europe are surprised to discover that they never needed their private insurance.

Nevertheless, most executives expect more from their employers. The prospect of waiting hours in the waiting room of a European public health clinic or months for a non-essential operation does little to soothe executive stress. And relying on the local health care systems in the developing world—or forgoing private insurance in North America, for that matter—is tantamount to madness in the eyes of many expatriates.

Service in Demand: Finding English-Speaking Doctors

FINDING an English-speaking physician for Americans, Britons and other native English speakers afflicted with medical problems in foreign lands was once very much a hit-or-miss proposition. Now, high demand from consumers has spawned referral services which make such an endeavor much easier.

Perhaps best-known among such services is that offered by American Express. Under its Global Assist program, American Express provides its cardholders with referrals to English-speaking doctors throughout much of the world, and will help arrange emergency evacuation if necessary. If a patient is not traveling with sufficient funds to cover medical costs, the company will also arrange for an advance. For holders of the company's platinum card, the cost

International Health Plans Vying for Growing Legion of Expatriates

By Barbara Wall

THE growth in the number of both tourists and business people spending extended periods of time outside their country of residence has placed new focus on international health care plans, say experts in the field.

The reasons to seek a plan which offers coverage for accidents or illnesses which occur abroad, many add, are evident enough. First, policies purchased in one's country of residence frequently limit coverage to medical expenses incurred while in that country.

Second, and equally important, the cost of medical treatment is soaring everywhere, not just in the United States where health care reform is second only to crime as a major political issue. Indeed, in most countries medical inflation continues to outstrip broad indexes of consumer price inflation. That means that even a relatively short stay in a hospital can be financially crippling if you are not covered.

A spokesman for the U.K.-based international health insurer Medicare said, for example, that a claimant recently spent a few weeks in a hospital in Singapore following a road accident, running up a bill of over \$15,000.

"Costs can assume nightmare proportions for prolonged illnesses," the spokesman said. "Another claimant, who was diagnosed as having cancer of the colon while working in the United Arab Emirates has so far received treatment to the tune of \$104,000."

Most hospitals will treat emergency cases regardless of whether or not the patient can pay immediately. But even that can be of small comfort if the hospital is poorly equipped or lacks qualified staff, conditions which frequently occur in remote locations. In extreme cases, emergency evacuation can be the only alternative. If that service is included in one's insurance package, it can often be arranged swiftly.

According to Michael Kelly, president of International S.O.S. Assistance in Philadelphia, which specializes in emergency evacuation services, the majority of evacuations are the result of trauma due to accidents. "In Asia, for example, orthopedic trauma-related injuries result in twice as many evacuations as do infectious diseases, cardiovascular and digestive problems," he said.

In a recent week which was fairly typical, Mr. Kelly said, International S.O.S.

International Health Care

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HMO shares
Biotech stocks
Medical emergencies abroad

Assistance rushed a female scuba diver suffering from decompression sickness from Mexico to Houston, evacuated a man with appendicitis from Siberia to Helsinki, and speeded a woman suffering from a brain hemorrhage from Turkey to Boston.

Private Patients Plan, an international health concern based in the United Kingdom, deals with about four or five emergency evacuation cases a month. "While this sounds like a fairly small number, it is a vital service for the people involved," commented Philip Healey, head of the company's marketing and sales operations. PPP also offers a compassionate travel facility which pays for a relative or friend to travel with the patient at all times.

Most expatriates, of course, recognize the need for some form of health insurance while overseas, but some analysts say that a surprising number have inadequate coverage. "People tend to view insurance as something which can be stinted on, because the likelihood is that it will not be needed," said David Pryor, director of ExpaCare, another U.K.-based global health insurer, echoing a view expressed by physicians and independent observers as well. "As far as health is concerned, it is not worth cutting corners."

If one is living in a country where the cost of health care is among the highest, it is worth considering paying a higher premium to get the requisite level of coverage, analysts say. Indeed, if one resides in Singapore or Hong Kong, for example, which are notoriously expensive locales for medical treatment, a policy which limits the maximum annual cover to around \$100,000 could prove quite insufficient.

Those researching which international policy might best suit them are also advised to examine geographic restrictions. Many providers offer staggered premium structures with relatively low fees for coverage that excludes expenses incurred in the United States, Canada and the Caribbean, and much higher fees for truly global coverage.

One benefit of the growing number of people traveling and working abroad,



International Health Care Plans

Premiums and coverage for specified age brackets, converted to U.S. dollars at current rates.

British United Provident Association	Annual Premium	Maximum coverage	Age bracket
Essential	\$484	\$1,575	30-39
Lifetime	\$604	\$2,094	No Limit
Gold	\$726	\$2,512	No Limit
ExpaCare			
Essential	\$5801	\$1,681	30-44
Complete	\$996	\$2,815	30-44
Medicare			
International	\$6160	\$1,586	40-44
Executive International	\$859	\$2,305	40-44
Private Patients Plan			
Basic	\$598	N.A.	40-44
Standard	\$820	\$1,818	40-44
Comprehensive	\$1,032	\$2,273	40-44
Prestige	\$1,493	\$2,938	40-44
International Medical Group	From \$654 to \$1,024 based on deductible.	Worldwide coverage.	30-39 (male)
International S.O.S. Assistance	For emergency evacuation and repatriation. Annual premium is \$340.		All

(*) Also excludes the Caribbean.
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Int. S.O.S. - (1) 215.244.1500.

International Herald Tribune

however, is that health insurance policies are becoming increasingly sophisticated and price sensitive. Nowadays, coverage is available for just about anything—including injuries sustained in war zones—and it needn't cost a fortune.

Standard products which offer coverage for hospital services, emergency evacuation and local ambulance services start at around \$400 per year. "There is little point in opting for an elaborate policy if you are based somewhere like Nigeria, where medical facilities are pretty basic," said Mr. Pryor. "You will need to ensure that the policy covers you for medical evacuation."

Most of the so-called "executive" insurance packages offer outpatient coverage. This may include dental treatment, optical expenses and general practitioner costs, or could just be limited to outpatient hospital services. Make sure to check the fine print. Many policies ask the insured to pay an extra charge for outpatient treatment and other add-ons, but such coverage may still be worth having, analysts say, if it covers medical expenses for one's children as well.

If fees must be paid up front, and that is frequent particularly with relatively small claims, analysts suggest asking if reimbursement can be made in the currency of one's choice. Depending on exchange rate fluctuations, it might be advantageous to receive reimbursement in sterling or U.S. dollars rather than in the country where the expenses are incurred.

Finding the right policy can be time consuming, but it is worth researching the market thoroughly before taking the

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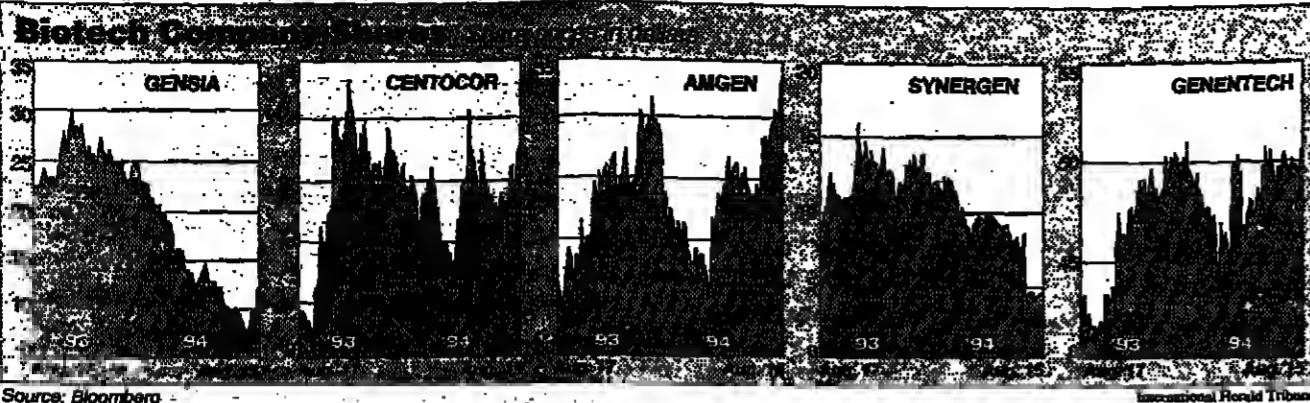
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THE MONEY REPORT



Source: Bloomberg

Outlook Is Guarded on Biotech Stocks

By Iain Jenkins

IMAGINE being able to buy a stake in a single oil well, in which investors are funding the exploration, before the drilling has even started. If oil is found, investors could make a fortune overnight. But if only mud comes up, everything would be lost. Such a game would be perilous indeed.

That is what is investing in biotechnology is like, according to Tim Willis, biotech analyst at the New York brokerage Hambrecht & Quist. If one of the 250 publicly quoted biotech companies gets a drug to the market, it can be like striking oil for those who invest in it.

Biotech is clearly not an investment for the faint-hearted, as the experience of the past two years has shown. The sector has halved in value since its peak in early January 1992, amid a string of poor results from mandatory clinical trials.

Jeremy Curnock-Cook, fund manager of the \$182 million London-based Biotechnology Investments Limited, which is run by the asset management firm N.M. Rothschild, says: "Share prices are founded not on commercial results, but on hope. When you take away the hope, the result can be frightening."

Syngene Inc. was once a high-flying biotech company with a drug designed to cure septic shock. The company's shares rose steadily in the second half of 1991, peaking at \$73.50 on January 8, 1992. Then it was discovered that the new "wonder drug" didn't work as well as expected. Today, the stock is languishing at around \$4.

The few funds investing in the biotech sector have also suffered. Oppenheimer Management Corp. decided to throw in the towel on its biotech fund after its share price plunged from a high of \$30 in January 1992 to about \$17 recently. Oppenheimer now plans to merge this \$200 million fund into a new "global emerging growth" fund.

"Our shareholders were thrilled when the fund was up 121 percent," said Robert Doff, chief equity strategist at Oppenheimer in Chicago. "But the last three years haven't been much fun. The problem with being a sector fund in biotech is the vola-

tility. You can't step aside when you want to be out of the market."

Despite these setbacks, biotech seems to hold a fascination for investors, say analysts. Like penny shares or the roller-coaster emerging markets, it offers huge riches if the investor can pick the right stock. And after over two years in the doldrums, it is showing signs of life again.

"In 1991 everyone loved biotech," said Mr. Willis at Hambrecht & Quist. "That meant it was time to sell the sector. Today everyone hates it, which means it is time to buy the hell out of the sector. Biotech will be back soon."

Anyone who bought Amgen Inc. when its shares were trading at about \$5 in January 1989 enjoyed quite a ride. The stock reached a high of nearly \$80 in December 1992 on the back of two drugs which, respectively, promoted the production of red and white blood cells. The shares have since fallen off to about \$53. Genentech Inc. had a similar bull run.

But anyone expecting spectacular returns from biotech stocks may well be in for a disappointment. One of the key problems facing the industry is that it is getting more and more difficult for biotech companies to develop new products. Only about 10 percent of new biotech drugs receive approval, say market observers, and the climate is now more competitive than when Genentech and Amgen burst onto the scene.

"Many companies come to the market on far too optimistic forecasts," said Anthony Milford, fund manager of the \$15 million Framlington Health Fund, which has 25 percent of its assets in biotech shares. "Now, there are far too many companies, many of which need cash. There are going to be a lot of deaths along the lines of Darwinian principles."

In the short term, a boost could come from a spate of mergers. Analysts say that some of the bigger pharmaceutical companies are likely to realize that they can get their hands on good technology for rock bottom prices, which could ignite the sector.

But a sound recovery will have to be based on positive clinical trials from a number of drugs. A current test case may be Genesia Inc., whose new drug Protares, a

designed to prevent heart attacks in people undergoing bypass surgery, has been the subject of much speculation.

In July, Genesia's shares fell from \$10.25 to \$7.25 on sentiment that the drug, which was in clinical trials, would be ineffective. The shares recovered slowly to \$9.50 on August 12, then leaped 29 percent to \$12.25 on August 15 based on news that trials of Protares had been halted. The stoppage was interpreted by some analysts as an indication that the trials had proved the drug effective. Final results won't be available, however, for another 9 weeks.

Mr. Curnock-Cook, of N.M. Rothschild, says: "Recovery could start with Genesia. It then has to build up to consistently successful clinical trials from other companies if confidence is to be restored. Over recent years confidence has been badly dented. There is always the possibility that someone will stub their toe again."

For the investor, the question is which companies will get their drugs to the market. Mr. Milford, at Framlington, cautions: "The investor requires more expertise. There are going to be a number of big winners but also a lot of losers."

Mr. Milford said that Centocor Inc., which develops cardiac, arthritis and cancer drugs is a "screaming buy." Since July '93, its shares have plunged from a peak of \$45.75 to around \$13 this week.

Other analysts recommend Cenocys Inc., which develops drugs to treat disorders of the central nervous system. Its shares were trading at around the \$4 level this week. Genetic Therapy Inc., which is using gene therapy to tackle brain cancer, is also on a number of analysts' "buy" lists. Its shares have surged in recent weeks, and are now trading at around \$9.

For many investors, the gamble associated with individual biotech stocks is too much. They may prefer investing in one of the few remaining biotech funds, such as Fidelity's Select Biotechnology in the United States, or the Rothschild fund in Britain. By investing in a fund the risk is spread.

In a sense, analysts say, investing in a biotech firm is like investing in a traditional pharmaceutical company which has a number of drugs in the pipeline, only a few of which ever make it to the market.

HMO Shares Get a Healthy Prognosis

By Conrad de Aenile

UNCERTAINTY is supposed to be the worst thing for financial markets. And if there is one thing that has recurred with a fair degree of certainty since Bill Clinton was elected president and began thrashing out the issues of the day with the U.S. Congress, it is uncertainty. It is surprising, therefore, that shares of U.S. health care providers are performing extremely well, even as the debate on reform becomes ever more muddled.

Standard & Poor's index of health care companies' shares has risen about 17 percent this year. That is considerably better than the broad-based S&P 500, which has barely been able to muster 2 percent increase.

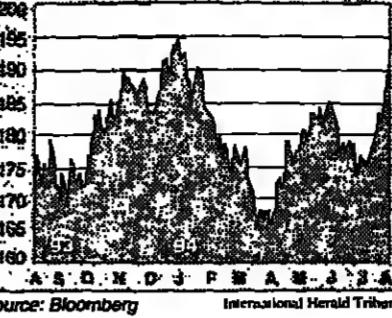
The health index took somewhat of a roundabout journey, however, to achieve that strong return. It rose 17 percent from last August until early January, lost back the entire gain and a bit more by early April, when the entire market slid, then made it all back in the following three months.

While such skittishness reflects doubt about Congress's ability to satisfactorily legislate changes in the financing of health care, the net positive bias shows a growing faith by the investing public that the nation's leaders will reach a successful conclusion to the matter — in other words, that they will end up doing little or nothing to affect the fortunes of companies providing health care, say analysts who follow the industry.

"The conventional wisdom is that if President Bill Clinton can't get a crime bill through, how is he going to get through a bill that affects 14 percent of gross national product," said Brian Stansky, an analyst at the T. Rowe Price fund management company. "You've gone from early '93, with people going into panic mode, because they had no idea what was going on, to feeling that reform will be as fast or as sweeping as had been feared."

Thomas Gallagher, the political analyst at Lehman Brothers, gave 2-to-1 odds that a bill will be enacted. The biggest beneficiaries in the health care industry, he said, are likely to be health maintenance organizations, or HMOs, in which clients pay a

S&P Health Care Index



Source: Bloomberg

International Herald Tribune

membership fee that entitles them to visit doctors approved by the organization.

"Managed care is the basic investment theme for health care stocks of the kind of bill we expect," Mr. Gallagher wrote in a report. "Health care stocks generally get a boost from expanded coverage, and market reform should induce greater enrollment in HMOs. That is especially true if some kind of tax measures encourages purchase of low-cost plans."

The companies she recommends buying include Pacificare, which she described as "a very well-managed, large HMO with product diversity and geographic diversity. It really has it all, a very well-thought-out strategy, an excellent reputation."

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Mr. Stansky is also inclined to wax rhapsodic about United: "There are just a number of things going its way. It's very forward thinking in terms of how health care is delivered, and in terms of bringing together costs and quality. It's the biggest company with one of the fastest growth rates."

Not everyone is as confident of the industry's prospects. Some brokerage firms have downgraded the group. Shares of many sector companies, including United, have lagged those of other health care businesses lately.

"There is some negative sentiment that wasn't around a few months ago," Miss Durrow said. "And we're at the end of the health reform debate. A few souls out there are waiting to see what comes out of Washington."

In the end, though, she believes that "HMOs are going to be fine. To get from here to there, you've got to have HMOs. They've got the technology, the experience. They've led the way all along."

The Money Report is edited by
Martin Baker

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The City of London has launched an appeal to raise £1 million (\$1.5 million) to go toward disaster relief in Rwanda.

Checks payable to COLERA may be sent to the appeal at the following address: Secretariat Office, Disasters Emergency Committee, 17 Grove Lane, Lon-

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SPORTS

Baseball Talks To Resume With Owners at Table

By Mark Maske
Washington Post Service

WASHINGTON — Major league owners will join the players, the negotiators and federal mediators at the suddenly crowded bargaining table when baseball's labor talks resume next week.

The players' strike reached the one-week mark Thursday, and some progress was finally made. John Calhoun Wells, the head of the Federal Mediation and Conciliation Service, met with the representatives for the owners and players in separate sessions in New York, and afterward announced that the two sides would resume negotiations next week.

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There will be a meeting on Monday in New York to set the schedule for the week, and the two sides plan to be back at the bargaining table on Tuesday or Wednesday.

The most significant development was that both sides agreed to have five or six representatives join their negotiators in

Impasse Remains In NHL

The Associated Press

TORONTO — Contract talks between the National Hockey League and its players went nowhere, but players say training camps will open in less than three weeks despite their differences.

A six-man delegation led by Gary Bettman, the NHL commissioner, met for three hours with members of the NHL Players Association bargaining committee, led by executive director Bob Goodenow. Both sides emerged from their first collective bargaining meeting in five months to say nothing of substance was accomplished.

"We did not make as much progress as I would have hoped," Bettman said. "It was a very small step in terms of the substance."

The players, who have been without a contract since last September, are unhappy with Bettman's threatening \$20 million in contract rollovers, in such things as medical insurance, paying their way to training camp and eliminating the \$54 per diem allowance for training camp and the regular season.

participating in the stalled talks.

The players have attended negotiating sessions throughout the process, but the union has been frustrated by the absence of the owners from the bargaining table. There has been constant friction between the owners' negotiator, Richard Ravitch, and union officials — and even more friction between Ravitch and the players — as management tries to install a salary cap and the players vehemently oppose one.

Ravitch said he did not know which owners would be at the bargaining table. But sources close to the situation said that the Milwaukee Brewers' owner and interim commissioner, Bud Selig, would probably not be among the participants. Selig declined to comment on his possible participation.

Donald Fehr, the Players Association's chief, said: "When the owners are present, you have the possibility of actually having dialogue with the people who know how their businesses are run ... and have the authority to make decisions."

"But it does not indicate in and of itself a change in substance. What we have to see is if the substantive positions of the parties change. I do not have any reason to believe that any of this indicates their position has changed."

Wells said the groups of owners and players would include a mix of representatives from small-, middle- and large-market teams. The players will apparently draw their participants from the union's 12-member bargaining committee, and sources said the preference of those involved in the deliberations would be to keep the participants the same from meeting to meeting, rather than rotating them.

Peter Angelos, the Baltimore Orioles' general partner, who has criticized the owners' absence from the bargaining table, praised the development. "That's a step forward," Angelos said. "Very definitely, that's a positive development."

Angelos indicated that he would gladly sit at the bargaining table if asked. But he has made many enemies in the ownership ranks with his recent candidness, and he conceded that he almost certainly will not be asked.

The progress came just when matters seemed to have reached a low point. The Montreal Expos became the first team to announce strike-related layoffs, and the New York Yankees sent more than half their staff on vacation. The Florida Marlins plan to ask an undetermined number of their 90 employees to take their vacations beginning Sept. 1.

Nobody sensed any major advantage or disadvantage in the draw, especially since the small size of the field meant less chance of a traffic jam or any rush toward the inside. Holy Bull, who has taken the lead and held it almost every step of the way while winning 10 of his 12 races, can shoot straight ahead and never look back. Tabasco Cat, who won the Freshness and Belmont Stakes stalking the leader, can stay right off his heels and wait to strike.

The linemaker at Saratoga Race Course cut it appropriately close. He made Holy Bull the favorite at 4-5, Tabasco Cat next at 6-5. Even in the early odds, the Cat was stalking the Bull. Then came Unaccounted For, who outran Tabasco Cat in

By Joseph Durso
New York Times Service

SARATOGA SPRINGS, New York — "The only one missing," Jimmy Croll said as the 3-year-old colts gathered for the return match. "It's Go for Gin."

He was right. Go for Gin, who won the Kentucky Derby three months ago, will duck the stars and skip the distance on Saturday, and will wait four days to sprint seven furlongs on the Forego Handicap.

But six other colts were entered on Thursday in the 125th Travers Stakes, with a purse of \$750,000 and championship status for the winner. And by the luck of the draw, the two archivists for the season's honors will start from adjoining gates on the inside; Holy Bull in the No. 1 slot, Tabasco Cat in No. 2.

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the Jim Dandy Stakes here three weeks ago, third in the odds at 5-1; Concern, winner of the Arkansas Derby, next at 12-1; and Copper Mount the long shot, at 15-1, with a strong chance that he would not even get to the post.

The sixth horse in the field was the "rabbit," Comanche Trail, the stablemate of Tabasco Cat, who drew the No. 6 slot on the outside, and he may not go to the post, either. Wayne Lukas, who trains both horses, said again that the "rabbit" might not serve any great role because Holy Bull and Tabasco Cat both can run faster and farther.

Comanche Trail has won two races in nine starts in his career, both at six furlongs. But Lukas held open the option of running the "rabbit" to push Holy Bull into a fast pace so that he would have less time in reserve when Tabasco Cat makes his move.

"We're getting an outside post with Comanche Trail, and I'm not sure we can get a lead on Holy Bull from there," Lukas said. "We might run him, and we might not run him."

"Actually, Tabasco Cat has a pretty good turn of foot. We spent all spring getting him to be a stalking horse, and when you get to the Super Bowl with a passing attack, you'd better throw the ball."

Pat Day, who will ride the

Cat from California, said, "I think Tabasco Cat is capable of

putting pressure on Holy Bull and hanging in there to the finish."

But Mike Smith, who rides

Holy Bull, insisted that he had no qualms about the weather, which was wet on Thursday, nor the challenge of Tabasco

Cat in a crucial race of a mile

and one-quarter around two

tight turns. He also discounted

the fact that Holy Bull ran 12th

in the Kentucky Derby on a

muddy track in a rough tangle

of horses.

"There were a lot of reasons

he ran badly to the Derby,"

Smith said. "I don't believe

a mile and a quarter was away

at a mile and an eighth without

even asking him."

Jack Sharkey, 91, Colorful Boxing Champion, Is Dead

By Robert McG. Thomas Jr.
New York Times Service

Jack Sharkey, the banting

cocksure boxer who captured

the world heavyweight champion

in an unlikely victory

over Max Schmeling in 1932

and relinquished it a year and

eight days later in an even less

likely loss to Primo Carnera

died Wednesday in Beverly,

Massachusetts. He was 91 years

old and had been the oldest

former heavyweight champion

— His family said — the cause of

death was respiratory arrest.

For all the glory of his year-

long reign as champion, Sharkey's entire 13-year career was

studded with footnotes to the

Golden Age of Boxing.

Partly because he had

changed his Lithuanian name

in his acceptance in the Irish

dominated boxing world of

Boston and partly because he

was a bit better at boasting than

he was at boxing, Sharkey was

as hated as Jack Dempsey was

beloved when the two faced

each other at Yankee Stadium

on July 21, 1927.

Through the first six rounds,

the resounding boos that had

greeted Sharkey's introduction

were largely stilled as it became

plainly obvious that the 32-

year-old Dempsey, who had

lost the championship to Gene

Tunney the previous Septem-

ber, was no match for the 24-

year-old Sharkey.

Then in the seventh, Dempsey,

swinging furiously, landed

a low right and Sharkey, clutch-

ing his midriff, turned to the

referee to complain. While he

was looking away, Dempsey

launched a haymaker that

knocked him into the middle of

the previous morning.

For Dempsey, who retired af-

ter losing the rematch with

Tunney two months later, the

knockout was the last victory

of his career, and he did not apolo-

gize for it.

When asked why he had hit a

man who wasn't looking, Demp-

sey replied, "What was I sup-

posed to do, mail him a letter?"

Sharkey's first title fight also

featured a famous low blow,

and his last produced an even

more famous complaint.

On June 12, 1930, fighting

Schmeling for the title, which

had been vacant since Tunney's

retirement two years earlier,

Sharkey landed a low blow in

the fourth round, knocking

Schmeling out but giving the

German the title by foul.

Two years later, after fighting

Mickey Walker to a draw and

winning a decision over Gar-

nera in 1931, Sharkey fought

Schmeling again, on June 21,

1932. He won the title in a con-

ventional split decision that

drew boos from the crowd and a

legendary lament from Schme-

ling's manager, Joe Jacobs, who

shouted into the radio micro-

phone, "We wuz robbed."

Sharkey did not defend his title

until a year later, when the giant

Cameran landed a stunning right-

hand uppercut that knocked him

out in the sixth round.

After two more losses, Shar-

key retired, but he made a

comeback in late 1935 that last-

ed until Aug. 18, 1936, when he

faced a young boxer named Joe

Louis, who had been knocked

out by Schmeling just two

months earlier. Sharkey lasted

three rounds and was said later

SPORTS

A Musical Interlude For Lendl Becomes Sound of Silence

By Robin Finn
New York Times Service

NEW HAVEN, Connecticut — The strain of "Peony Lane," Ivan Lendl's chosen theme song at the failed musical experiment this Volvo International tennis event has become, won't be heard again.

Nostalgia isn't one of the 34-year-old Lendl's strong suits — he selected the song out of serendipity rather than sentiment over his 12th and possibly last visit at the event.

But he seemed genuinely regretful after No. 7-seeded Marc Rosset's unbreakable serve sent the Swiss player into the quarterfinals and sent Lendl home to nearby Goshen for a week-end of golf.

Lendl, a three-time U.S. Open champion, said he wasn't certain whether he would play here, there or anywhere next year and dismissed as illogical the notion of his capturing a ninth career Grand Slam title at Flushing Meadows next month.

"I don't have the level of confidence I'd like to have at this stage," said Lendl. "I haven't made plans for next year yet; I don't know even if I want to play."

Lendl, whose ranking has dropped to 29th in the course of a two-year slide complicated by hand and back surgery, converted none of the six break points he earned against Rosset's cannonball serve and departed the Volvo a 6-7 (6-8), 6-4, 6-4 third-round loser.

"Even if you get a second serve, it's still a big serve,"

Lendl said of the ample artillery possessed by Rosset, whose 134 mph (215 kph) delivery rates him second on the ATP Tour in that specialty.

Rosset now holds a 3-0 edge in their career rivalry and said, with Lendl-esque indifference, that he wasn't sorry about dozing out disappointment to the player who once commanded the No. 1 spot for a record 270 weeks.

"Maybe three years ago when I beat him here, that was strange," said Rosset, who was more concerned this afternoon with making sure Lendl didn't sneak back into control of their 2-hour, 26-minute match. "I was surprised because he fought until the last point. I had a lot of first serves but he was returning unbelievable."

Lendl's backhand volley, a shot he turned to in order to prevent Rosset from "pushing him around" from the back-court, was likewise effective.

The tournament's top-seeded player, Michael Stich, put in a double shift on the stadium court and emerged with a pair of victories that gave him a quarter-final-round assignment with Patrick Rafter of Australia.

In a match that was halfway complete before being washed out by Wednesday night's showers, Stich gave Marcelo Rios, last year's top-ranked junior, a 6-3, 7-5 dressing-down.

And just before an early evening drizzle settled in, Stich turned in an even more persuasive performance against Daniel Vacek for a 6-2, 6-2 victory that was briefly interrupted in



Michael Stich dropped to his knees to avoid a shot from Daniel Vacek; Stich won for his second victory of the day.

the second set when the toddler son of the doubles player Cyril Suk yanked a fire alarm in the players' lounge.

Stich later joined the lengthy list of players riding the coattails of the departed and disgruntled Andre Agassi on what has become the real bone of contention in the fan-friendly innovations package the ATP Tour introduced here.

"The game is not going to improve by playing music during the changeovers," said Stich, who uses the non-dictate

tones of Aerosmith's "Crazy" for his intro music.

While Agassi viewed the music as a hucksterish intrusion that further estranged fans from the players, the German's chief complaint was that the tour didn't give its players the option of refusing the change-over serenades.

"We're supposed to be represented by the ATP, not just tools that can be kicked around by them," said Stich, who like Agassi, asked that the music be silenced. "It's going to hurt the game."

Top Swimmers Start the Action at Commonwealth Games

The Associated Press

VICTORIA, British Columbia — With the biggest track stars still competing in Europe, some of the world's top swimmers will start the action at the XV Commonwealth Games.

Hayley Lewis, who won five golds for Australia four years ago at Auckland, New Zealand, aims to add two more to her collection on Friday in the 400-meter individual medley and the 800 freestyle relay.

Her countryman, Phil Rogers, the short course world record-holder, will go against the 200-meter champion, Jon Cleveland of Canada, and Nick Gillingham of England in the 100 breaststroke.

Another Australian, Kieren Perkins, who holds the world record at 800 and 1,500 meters, goes in the 200-meter freestyle.

Some 3,300 competitors from a re-

cord 64 nations are at the 10-day Games, which feature 10 sports.

The South Africans have returned to the Games for the first time since 1958. They were banned in 1961 because of opposition to the government's apartheid policies.

They now have a new flag and, at Thursday's opening ceremonies, Hesekiel Sepeng, a black 800-meter runner, was the first to carry it at a major multisports event. The South Africans got a long standing ovation from the 33,000 spectators in Centennial Stadium.

Elana Meyer, a 10,000-meter runner who won a silver medal at the 1992 Olympics, is South Africa's big hope on the track, while a contender in the boxing ring is light flyweight Hawk Makepula, one of seven black competitors on the team.

While South Africa returns, another

will say farewell to the Games. Hong Kong ceases to be a Commonwealth nation when it reverts to China a year before the next Games at Kuala Lumpur, in 1998.

Although swimming events started Friday with finals of the women's 100-meter freestyle, men's 100 breaststroke, women's 400 individual medley and women's 800 freestyle relay, the first medals went to cyclists in the men's team time trial.

Badminton, boxing, gymnastics, lawn bowls, wrestling and shooting also began Friday. Track begins Monday and weightlifting on Tuesday.

England has a powerful track team led by the world and Olympic champions Linford Christie and Sally Gunnell, who still are competing at Europe meets.

Christie's main rivals in the 100

meters will be Frankie Fredericks of Namibia, double Olympic silver medalist and 200-meter titlist at the 1993 World Championships, and Nigeria's Oladele Adeniken, who finished third to Christie in Zurich on Wednesday.

Gunnell, who also is world record-holder, should have no trouble defending her 400-meter hurdles title. Her main rivals don't compete for Commonwealth nations.

Colin Jackson, world champion and record-holder in the 110-meter hurdles, competes for Wales. His main rival will be England's Tony Jarrett, runnerup to the Welshman at the world championships.

In the absence of Jamaican star Merlene Ottey, the women's sprint races appear wide open.

In 1986, Canada produced a super-heavyweight fighter who went on to win at the Olympics, then became a pro. That was Lennox Lewis, currently World Boxing Council heavyweight titlist. Shane Hinton is Canada's super-heavyweight hope this time.

The leading members of Australia's weightlifting team were born in Bulgaria or Romania and are former world or Olympic champions. All have obtained Australian citizenship and this is their first Commonwealth Games. The Romanian, Nicu Vlad, won an Olympic title 10 years ago. Bulgarians are Kiril Kounev, Sevdalin Marinov and Stefan Botev. Botev, who competes in the 108-kilogram category, served notice on his rivals that he is in form by lifting in training what would have been a world record if it had been in competition.

NESTLINGS By Ted Fulton



